

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
TOWN OF PEMBROKE PARK, FLORIDA
FOR THE YEAR ENDED
SEPTEMBER 30, 2013

Prepared by the
Finance Department

**TOWN OF PEMBROKE PARK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the year ended September 30, 2013**

TABLE OF CONTENTS

| | <u>PAGES</u> |
|--|--------------|
| INTRODUCTORY SECTION: | |
| Letter of Transmittal | i-iv |
| Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting | v |
| Organizational Chart | vi |
| List of Principal Officials | vii |
| FINANCIAL SECTION: | |
| Independent Auditor's Report | 1-2 |
| Management's Discussion and Analysis (Not Covered by Independent Auditor's Report) | 3-11 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 12 |
| Statement of Activities | 13 |
| Fund Financial Statements: | |
| Balance Sheet - Governmental Fund | 14 |
| Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position | 15 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund | 16 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Fund to the Statement of Activities | 17 |
| Statement of Revenues, Expenditures and Change in Fund Balance Budget and Actual - General Fund | 18-21 |
| Statement of Net Position - Proprietary Funds | 22 |
| Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds | 23 |
| Statement of Cash Flows - Proprietary Funds | 24-25 |
| Statement of Fiduciary Net Position - Pension Trust Fund | 26 |
| Statement of Changes in Fiduciary Net Position - Pension Trust Fund | 27 |

TOWN OF PEMBROKE PARK, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 for the year ended September 30, 2013
 (continued)

TABLE OF CONTENTS

| | <u>PAGES</u> |
|---|--------------|
| Notes to the Financial Statements | 28-47 |
| REQUIRED SUPPLEMENTARY INFORMATION: | |
| Schedule of Funding Progress – Pension Trust Fund | 48 |
| Schedule of Contributions from Employer | 49 |
| Schedule of Funding Progress – Other Post-Employment Benefits Plan | 50 |
| STATISTICAL SECTION (NOT COVERED BY INDEPENDENT AUDITOR’S REPORT): | 51 |
| Financial Trends: | |
| Table 1 - Net Position by Component | 52 |
| Table 2 - Changes in Net Position | 53-56 |
| Table 3 - Fund Balances of Governmental Funds | 57 |
| Table 4 - Changes in Fund Balances of Governmental Funds | 58-59 |
| Revenue Capacity: | |
| Table 5 - Assessed Value and Estimated Actual Value of Taxable Property | 60 |
| Table 6 - Direct and Overlapping Property Tax Rates | 61 |
| Table 7 - Principal Property Taxpayers | 62 |
| Table 8 - Property Tax Levies and Collections | 63 |
| Debt Capacity: | |
| Table 9 - Ratios of Outstanding Debt by Type | 64 |
| Table 10 - Ratios of General Bonded Debts Outstanding | 65 |
| Table 11 - Direct and Overlapping Governmental Activities Debt | 66 |
| Table 12 - Legal Debt Margin Information | 67 |
| Table 13 - Pledged Revenue Coverage | 68-69 |
| Demographic and Economic Information: | |
| Table 14 - Demographic and Economic Statistics | 70 |
| Table 15 - Principal Employers | 71 |

TOWN OF PEMBROKE PARK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the year ended September 30, 2013
(continued)

TABLE OF CONTENTS

| | <u>PAGES</u> |
|---|--------------|
| Operating Information: | |
| Table 16 - Full-Time Equivalent Town Government Employees by Function/Program | 72 |
| Table 17 - Operating Indicators by Function/Program | 73 |
| Table 18 - Capital Asset Statistics by Function/Program | 74 |
| OTHER REPORTS OF INDEPENDENT AUDITORS AND RELATED SCHEDULES: | |
| Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 75-76 |
| Independent Auditor's Report To Town Management | 77-78 |
| Schedule of Findings and Responses | 79 |

INTRODUCTORY SECTION



TOWN OF PEMBROKE PARK

3150 S.W. 52ND AVENUE • PEMBROKE PARK, FLORIDA 33023 • BROWARD (954) 966-4600 • FAX (954) 966-5186

Ashira A. Mohammed
Mayor

Georgina Cohen
Vice Mayor

Annette Wexler
Clerk Commissioner

Howard P. Clark, Jr.
Commissioner

Emma Shoaff
Commissioner

Dr. Robert A. Levy
Town Manager

Christopher J. Ryan
Town Attorney

March 19, 2014

To the Honorable Mayor and Town Commission
Town of Pembroke Park, Florida

In accordance with Section 11.45, Florida Statutes, and Section 18 of the Town Code of Ordinances, submitted herewith is the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2013. Responsibility for both the accuracy of the data and completeness and fairness of its presentation, including all disclosures, rests with the Town. Management believes that the data presented is accurate in all material respects; that it is presented in a manner designed to present fairly the financial position and results of operations of the Town as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Town's financial affairs have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

THE REPORTING ENTITY AND ITS SERVICES

The Town of Pembroke Park was incorporated on December 10, 1957 and established on June 20, 1959 by Chapter 59-1722, Laws of Florida, as amended. The Town operates under a Commission form of government and provides general government, public safety, physical environment, public works, and culture and recreation to its residents and business community. The Mayor and four Town Commissioners are responsible for establishing policies for Town government. The Mayor and Commission appoint the Town Manager, who is the Chief Administrative Officer of the Town and is responsible for implementing policies adopted by the Commission.

This report includes all of the funds for which the Town of Pembroke Park is financially accountable. Although the Broward County Board of County Commissioners, Broward County District School Board, and South Florida Water Management District levy and collect taxes on property located within the corporate limits of the Town of Pembroke Park, financial information on these taxing authorities is not included in this report, since each has a separate elected governing body, are legally separate, and are fiscally independent of the Town. Annual financial reports of these units of government are available upon request from each agency.

ECONOMIC CONDITIONS AND OUTLOOK

The Town of Pembroke Park serves an area of approximately 1.7 square miles with an estimated population of 6,102 residents. Prior to incorporation, the Town received services from Broward County as part of its unincorporated municipal services taxing unit. The Town received no real property, facilities, or equipment from Broward County upon incorporation.

The Town's combination of mobile home parks and commercial developments resulted in a taxable value of approximately \$ 542,048,814 and a taxable value per capita of approximately \$ 89,000. The 2012/2013 fiscal year was a relatively active construction year for the Town with a good combination of commercial and industrial. An analysis of the projects in the various stages of the planning and development process indicated that building activity will continue to be geared toward similar activities perhaps at a faster pace than in previous years.

MAJOR INITIATIVES

The 2012/2013 fiscal year budget included a number of priorities and goals. The most significant are as follows:

- Reduce the risk of flooding within the corporate limits of the Town to minimize property loss and damage for our Town's residents. This goal was accomplished by replacing and improving major stormwater piping in various areas of the Town. This projects were funded by CDBG, FEMA, and Florida Department of Environmental Protection Grants.

FOR THE FUTURE

The Town continues to pursue and modify its goals as outlined in the Five-Year Capital Improvement Plan. Some of these goals were emphasized as essential to further enhance the quality of life of Town residents and to diminish property damage and loss that may occur during the hurricane season. The highest priorities for the coming years are as follows:

- The Town of Pembroke Park S.W. 30th Avenue (South) Stormwater Improvement Project includes the construction of a drainage collection system and roadway improvements to alleviate flooding problems in this commercial business section of Town. This is a LPDM project that is FEMA funded. This project is currently under construction and is scheduled to be completed in April 2014.
- The Town of Pembroke Park Sewer Lift Stations No. 14 and 17 are designed, permitted and shovel-ready. The Town of Pembroke Park continues with the wastewater collection system improvements program as outlined in Wastewater Collection Pumping System Improvements Plan of 2003. The design for the lift stations is in conformance with new construction standards and is being constructed with permanent generators.
- The Town of Pembroke Park S.W. 30th Street Wastewater Project includes the rehabilitation of the six (6) lift stations and the replacement of a deteriorated sewer force main located along S.W. 30th Street. The proposed lift station designs are in conformance with new construction standards.
- The Town of Pembroke Park Sanitary Sewer Restoration Project includes detection of leaks and repair within the existing sewer system. This project reduces infiltration and meets permit requirements. The sewer system has been deteriorating over the past few years and is characterized by increasing inflow and infiltration to the system, especially during and immediately after a heavy rainfall. The Town will use chemical grouting, sectional repair, sliplining, and complete replacement of the line to reduce the infiltration to the system.

- The Town of Pembroke Park S. W. 52nd Avenue Connection Project includes the construction of stormwater piping on County Line Road, and will be designed to tie into the County's trunk line located on S.W. 56th Avenue. This project will allow a means of conveyance of stormwater flows and will help alleviate potential flooding problems on the west side of Town.

RELEVANT FINANCIAL POLICIES

The Town's budgetary and financial policies provide the basic framework for the overall fiscal management of the Town. The main policies consist of budgetary, revenue, cash management, and fund balance and risk management policies. These policies are used in the development of current activities and planning for future programs.

Internal Accounting Control:

Management of the Town is responsible for establishing and maintaining internal controls to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls:

Budgetary appropriations are legally controlled at the department level. Encumbrances, purchase orders and other commitments for the expenditure of monies are recorded throughout the fiscal year. Changes and amendments to the total budget of the Town must be approved by the Commission. Expenditures over \$ 500 are also approved by the Commission on a monthly basis. Budgets are adopted on a basis consistent with generally accepted accounting principles. All outstanding encumbrances lapse at fiscal year end. Any lapsed capital outlay expenditures are re-appropriated in the next fiscal year. There was one amendment to the Fiscal Year 2012/2013 Budget subsequent to the initial budget adoption.

Revenue Policy:

The Town will attempt to maintain a diversified and stable revenue system to avoid reliance on any one revenue source and will attempt to minimize the dependence on property taxes. Charges for services are used to recover partial or full cost of providing services that benefit individual users. Additionally, it is the Town's policy that new ongoing operating costs are funded with permanent, ongoing revenue sources. One-time operating costs are tied to one-time revenue sources to ensure fund balance integrity.

Fund Balance:

The Town previously implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for its governmental fund. GASB Statement No. 54 establishes various classifications of fund balance based on a hierarchy which details constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as Committed can only be used for specific purposes determined by formal action of the Town Commission through an ordinance or a resolution. Commitments can only be changed or lifted only by the Town Commission through formal action. Assigned fund balances are amounts that the Town intends to use for a specific purpose but are neither restricted nor committed. The intent to utilize these funds is delegated to the Town Manager. Unassigned fund balance can be viewed as the net resources available at the end of the year.

OTHER INFORMATION

Independent Audit:

In accordance with section 11.45(3)(a) (4), Florida Statutes, and Section 18 of the Town Code of Ordinances, the Town engaged the firm of Keefe, McCullough & Co., LLP, Certified Public Accountants, to perform the independent audit of the Town's accounts and records. The independent auditors' reports are included in the Financial and Compliance sections.

Certificate of Achievement:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Reporting to the Town of Pembroke Park, Florida for its Comprehensive Annual Financial Report for the year ended September 30, 2012. This is the tenth straight year that the Town has received this prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

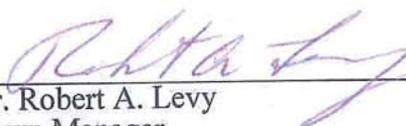
In order to be awarded a Certificate of Achievement, the Town must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

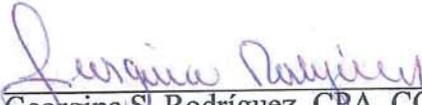
Acknowledgments:

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the Finance Department. We express our appreciation to members of the Department who assisted and contributed to its preparation. We also wish to thank the Mayor and Town Commission for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,



Dr. Robert A. Levy
Town Manager



Georgina S. Rodríguez, CPA, CGFO
Finance and Budget Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

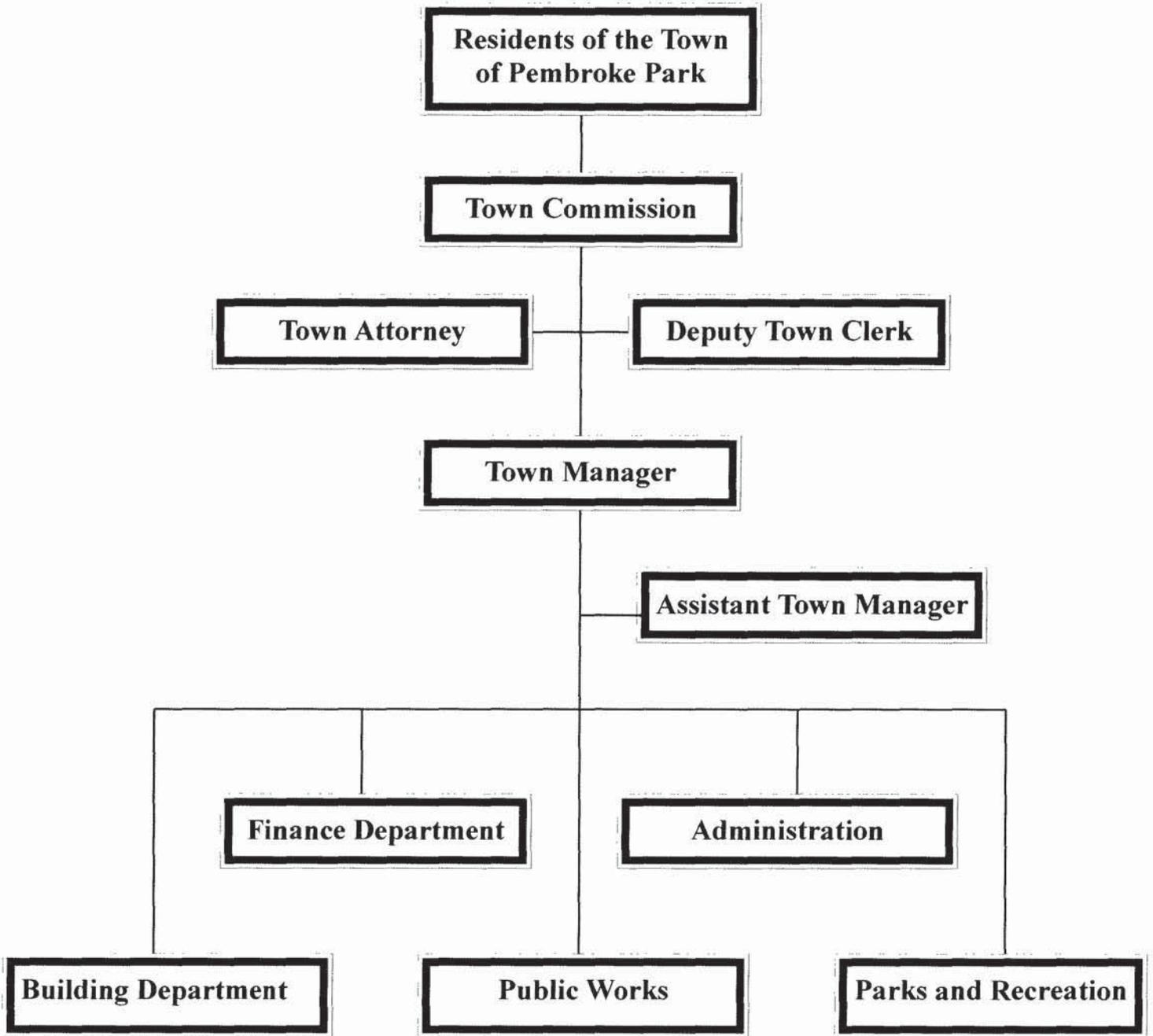
**Town of Pembroke Park
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

TOWN OF PEMBROKE PARK, FLORIDA



TOWN OF PEMBROKE PARK, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2013

COMMISSION FORM OF GOVERNMENT

TOWN COMMISSION

ASHIRA MOHAMMED, Mayor – District 5

GEORGINA COHEN, Vice Mayor – District 1

ANNETTE WEXLER, Clerk Commissioner – District 4

HOWARD P. CLARK JR, Commissioner– District 2

EMMA SHOAFF, Commissioner – District 3

TOWN MANAGER

DR. ROBERT A. LEVY

TOWN ATTORNEY

CHRISTOPHER J. RYAN, ESQ.



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Town Commission
Town of Pembroke Park, Florida
Pembroke Park, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Pembroke Park, Florida (the "Town") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 and other required supplementary information on pages 48 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2014, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Keefe, McCullough & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 19, 2014

TOWN OF PEMBROKE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

This section of the Comprehensive Annual Financial Report (CAFR), entitled Management's Discussion and Analysis (MDA), is presented as a method to assist the reader in better understanding the financial position of the Town of Pembroke Park, Florida (the "Town") as of the date of the report in accordance with the Government Accounting Standards Board. Items noted in this section are:

1. Financial Performance - how the Town arrived at its current position by identifying key changes to the components of the financial position, examples include special grants, special assessments, disasters, etc.
2. Operational performance - how the Town performed during the past fiscal year when comparing planned results to actual results. Are trends developing that may alter forecasts?

The Letter of Transmittal, included in a previous section of this CAFR, discusses other relevant items that impact the overall financial condition of the Town. The Letter of Transmittal should be read in conjunction with Management's Discussion and Analysis and the Town's financial statements.

FINANCIAL HIGHLIGHTS

The following are the highlights of financial activity for the fiscal year ended September 30, 2013:

- The net position amount of \$ 18,937,332 is the result of total assets less liabilities. Governmental net position was \$ 8,837,082 and business-type net position was \$ 10,100,250.
- The Town's revenues for governmental activities were \$ 9,574,111. Expenses for governmental activities were \$ 9,239,621.
- At the beginning of the fiscal year, the Town anticipated to use \$ 654,519 of reserves to fund fiscal year's 2012/2013 expenditures. At the close of the fiscal year, the Town's governmental fund reported an ending fund balance of \$ 4,582,403, an increase of \$ 218,990 from the prior year.
- In the General Fund, ad valorem tax revenues collected during the fiscal year decreased from the previous year's collections by \$ 75,475. The Town's property value declined slightly when compared with the previous fiscal year.
- Charges for wastewater and drainage service in the Town's enterprise funds increased by \$ 660,483 during fiscal year 2012/2013. The increase was due to a rate increase in consumption for both services.
- Total revenues for business-type activities increased by \$ 746,129 over the prior year. The overall growth in revenues is due to a rate increase in sewer and stormwater service charges. In addition, the Town received \$ 184,213 in capital grant revenue for business-type activities during fiscal year 2012/2013.

TOWN OF PEMBROKE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

TOWN HIGHLIGHTS

During fiscal year ended September 30, 2013, the Town continued working on several upgrades of the sanitary sewer and storm water systems.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide statements:

The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business.

The statement of net position presents information on all the Town's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund financial statements:

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town categorizes funds into two basic fund types: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

TOWN OF PEMBROKE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

Proprietary funds are comprised of the enterprise funds which are the equivalent of business-type activities in the government-wide statements. These include the Sewer Utility Fund and the Stormwater Drainage Fund.

The Town reports a pension trust for its defined benefit pension plan in the fiduciary fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund statements can be found on pages 26 and 27 of this report and a more detailed description of the Town's pension trust fund may be found in Note 7 to financial statements.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other financial information:

In addition to the basic financial statements and accompanying notes, this report also presents other financial information concerning the Town's capital assets.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's combined net position totaled \$ 18,937,332 as of September 30, 2013. Governmental activities net position totaled \$ 8,837,082 and business-type activities net position totaled \$ 10,100,250. The following table presents condensed Statements of Net Position:

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total Primary Government</u> | |
|----------------------------------|--------------------------------|---------------------|---------------------------------|---------------------|-------------------------------------|----------------------|
| | <u>2013</u> | <u>2012</u> | <u>2013</u> | <u>2012</u> | <u>2013</u> | <u>2012</u> |
| CURRENT AND OTHER ASSETS | \$ 5,436,072 | \$ 5,710,406 | \$ 5,285,764 | \$ 4,842,395 | \$ 10,721,836 | \$ 10,552,801 |
| CAPITAL ASSETS (NET) | <u>4,149,047</u> | <u>4,025,893</u> | <u>9,072,598</u> | <u>9,739,801</u> | <u>13,221,645</u> | <u>13,765,694</u> |
| Total assets | <u>9,585,119</u> | <u>9,736,299</u> | <u>14,358,362</u> | <u>14,582,196</u> | <u>23,943,481</u> | <u>24,318,495</u> |
| CURRENT LIABILITIES | 545,804 | 1,025,056 | 563,868 | 904,545 | 1,109,672 | 1,929,601 |
| NONCURRENT LIABILITIES | <u>202,233</u> | <u>208,651</u> | <u>3,694,244</u> | <u>4,127,828</u> | <u>3,896,477</u> | <u>4,336,479</u> |
| Total liabilities | <u>748,037</u> | <u>1,233,707</u> | <u>4,258,112</u> | <u>5,032,373</u> | <u>5,006,149</u> | <u>6,266,080</u> |
| NET POSITION: | | | | | | |
| Net Investment in capital assets | 4,140,660 | 4,001,459 | 4,966,605 | 5,219,430 | 9,107,265 | 9,220,889 |
| Restricted | 199,604 | 196,653 | 72,992 | 60,152 | 272,596 | 256,805 |
| Unrestricted | <u>4,496,818</u> | <u>4,304,480</u> | <u>5,060,653</u> | <u>4,270,241</u> | <u>9,557,471</u> | <u>8,574,721</u> |
| Total net position | \$ <u>8,837,082</u> | \$ <u>8,502,592</u> | \$ <u>10,100,250</u> | \$ <u>9,549,823</u> | \$ <u>18,937,332</u> | \$ <u>18,052,415</u> |

TOWN OF PEMBROKE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

Unrestricted net position is that portion of net position that can be used to finance daily operations without constraints established by debt covenants, enabling legislation, or other legal requirements, and it amounted to \$ 9,557,471 on September 30, 2013. A minor rebound in the economy resulted in an increase in revenues for governmental activities of \$ 976,633. A slight decrease in the Town's taxable value resulted in a decrease in collections for Ad Valorem of \$ 75,475. The Town experienced an increase of \$ 425,385 in collections for services provided by the Town. Key components to this increase are the economic recovery which is reflected on higher revenues at all levels coupled with the Town's efforts to encourage and increase business investments and economic development.

In addition, a slightly higher demand for other Taxes and fees collected by the Town of \$ 22,976 combined with an increase of \$ 36,480 in revenues collected for grants and the reversal of a tax credit liability for unclaimed reimbursement of Ad Valorem taxes to qualified tenants of \$ 460,953 resulted in the increase in revenues for the year.

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|----------------------------------|-------------------------|------------------|--------------------------|------------------|-----------------------------|-------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| REVENUES: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1,379,863 | \$ 954,478 | \$ 3,456,448 | \$ 2,795,965 | \$ 4,836,311 | \$ 3,750,443 |
| Capital grants and contributions | 100,684 | 64,204 | 199,607 | 61,089 | 300,291 | 125,293 |
| General revenues: | | | | | | |
| Property taxes | 4,361,937 | 4,437,412 | - | - | 4,361,937 | 4,437,412 |
| Other taxes and fees | 1,821,689 | 1,798,713 | - | - | 1,821,689 | 1,798,713 |
| Intergovernmental | 777,792 | 845,425 | - | - | 777,792 | 845,425 |
| Other general revenues | 1,132,146 | 497,246 | 76 | 52,948 | 1,132,222 | 550,194 |
| Total revenues | 9,574,111 | 8,597,478 | 3,656,131 | 2,910,002 | 13,230,242 | 11,507,480 |
| PROGRAM EXPENSES: | | | | | | |
| General government | 2,220,061 | 2,287,814 | - | - | 2,220,061 | 2,287,814 |
| Public safety | 5,898,517 | 5,856,614 | - | - | 5,898,517 | 5,856,614 |
| Physical environment | 251,169 | 241,329 | - | - | 251,169 | 241,329 |
| Culture and recreation | 341,949 | 484,853 | - | - | 341,949 | 484,853 |
| Public works | 526,750 | 267,805 | - | - | 526,750 | 267,805 |
| Interest expense | 1,175 | 3,180 | - | - | 1,175 | 3,180 |
| Sewer utility | - | - | 2,217,437 | 2,135,075 | 2,217,437 | 2,135,075 |
| Stormwater drainage | - | - | 888,267 | 1,013,527 | 888,267 | 1,013,527 |
| Total expenses | 9,239,621 | 9,141,595 | 3,105,704 | 3,148,602 | 12,345,325 | 12,290,197 |
| Change in net position | 334,490 | (544,117) | 550,427 | (238,600) | 884,917 | (782,717) |
| Net position, beginning of year | 8,502,592 | 9,046,709 | 9,549,823 | 9,788,423 | 18,052,415 | 18,835,132 |
| Net position, end of year | \$ 8,837,082 | \$ 8,502,592 | \$ 10,100,250 | \$ 9,549,823 | \$ 18,937,332 | \$ 18,052,415 |

The Town experienced an increase in the net position of governmental activities of \$ 334,490, and an increase in net position in business-type activities of \$ 550,427. A key component to the Town's growth in net position is the Town's effort to encourage business investments in the Town. The Town's open door policy with the private sector together with the Town's strict zoning regulations and a balanced land use provide for the Town's stable growth of industrial, commercial, residential and recreational development.

TOWN OF PEMBROKE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

The planning and decisions taken by the Town are always weighted against the financial burden that will be placed on both current and future residents of the Town, as well as potential economic and environmental impacts. Through careful planning, Pembroke Park has kept its tax millage rate unchanged for the past thirteen fiscal years at 8.5000 mills. One mill of tax equals one dollar for each one thousand dollars of assessed property value as determined by the Broward County Property Appraiser.

General discussion on revenues:

Several areas can be identified which directly impact this current reporting period and the next fiscal year's revenues. The millage rate established by the Town during the budget process determines how much property tax revenue is generated in the General Fund. Property tax revenue is the major revenue source in the General Fund, it accounts for approximately 45% of total fund revenues in fiscal year 2012/2013. The millage rate is a rate charged per thousand dollars of assessed property value net of exemptions.

The Town's financial condition generally is affected by economic conditions. During prosperous economic periods, property values generally increase which correspondingly increase property tax revenue. The Town's taxable value slightly decreased during fiscal year 2012/2013. The slight decrease followed an increase in taxable value for the previous year.

The Town experienced an increase in revenues of \$ 746,129 for the business type activities. Operating revenue, which includes charges for services and miscellaneous income, increased by \$ 660,483. The rise was due to an increase in stormwater and sewer rates. Grant revenue increased by \$ 146,424. FEMA awarded the Town a \$ 400,000 grant to work on stormwater and drainage improvements that would diminish property damage and loss that may occur due to flooding. During fiscal year 2012/2013, a portion of the \$ 400,000 was spent on flooding control on SW 30th Ave. improvements. A great majority of the FEMA grant funds will be used during fiscal year 2013/2014.

General discussion on expenses:

Expenses for the governmental and business type activities were \$ 9,239,621 and \$ 3,105,704, respectively. One of the Town's major expenses is the payment to Broward County for police and fire rescue which accounts for \$ 5,898,517 or 63% of the total expenditures for the General Fund.

The number of personnel working for the Town has remained stable over the years. The majority of the decrease in General Government of \$ 67,753 represents a decrease in the percentage for the employer required contribution that the Town makes to the Florida Retirement System on behalf of Town employees for three quarters of the fiscal year 2012/2013. The employer required contribution to the Florida Retirement System was higher for the last quarter of the fiscal year 2012/2013. In addition, positions vacated by retired employees resulted in a cost savings to the Town.

Program expenses for business type activities funds decreased by \$ 42,898 due to a reduction of \$ 24,149 in the most significant expense for the Sewer Fund that is the payment of \$ 1,030,918 made to the City of Hollywood for processing sewage. Other expenses fluctuated in either direction creating the net decrease on expenses for both funds.

TOWN OF PEMBROKE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

ANALYSIS OF THE GOVERNMENT'S FUNDS

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town. At the end of the fiscal year ended September 30, 2013, unassigned fund balance of the General Fund was \$ 3,421,428. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. The unassigned fund balance represents approximately 37% of the expenditures in the General Fund.

The total fund balance in the Town's General Fund increased from \$ 4,363,413 to \$ 4,582,403 during the current fiscal year, a difference of \$ 218,990. The key factors in this change are included in the next section entitled, "General Fund Budgetary Highlights."

Proprietary Funds:

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the Enterprise Funds amounted to \$ 10,100,250 at the end of the fiscal year ended September 30, 2013, an increase of \$ 550,427 over the prior fiscal year. Other factors concerning the finances of these two funds are covered in more detail in the discussion of the Town's business-type activities in the Government-wide Financial Analysis section.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town amended its budget once at the end of the year. Changes and amendments to the budget must be approved by the Commission. The original budget was amended to update for unanticipated revenues and expenditures noted below. The Commission approves purchase orders and nonrecurring expenditures over \$ 500 on a monthly basis. The Commission uses this procedure to closely monitor expenditures and commitments made by the Town.

General Fund revenues were \$ 711,822 more than the original budget projections. The major variances between the original budget and actual amounts in the General Fund are as follows:

The Town collected a total of \$ 203,238 less than what was originally budgeted for Ad Valorem Taxes. Collection for current taxes was \$ 669,612 less than the budgeted amount and delinquent taxes were \$ 457,931 more than the amount originally budgeted. The decrease on current collections and the increase on delinquent taxes are consistent with the downturn and slow rebound in the economy.

TOWN OF PEMBROKE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

Collections for utility service taxes were greater than what was originally forecasted on the budget by \$ 66,955. Collections for electricity and water taxes were greater by \$ 61,480 and \$ 9,423, respectively. These increases were due to a higher demand for utility services than the originally budget projection.

Collections for licenses and permits were greater than the budgeted amounts. The variance of \$ 283,375 was primarily due to the increase in demand for building permits and building inspections for the year which is consistent with the economy finally moving upward.

Collections for intergovernmental revenues were less than the budgeted amounts. Usually the amounts included in the budget are provided to the Town. The overall variance of 33,652 for intergovernmental revenues was due to a decrease of \$ 39,814 in collections for communication service tax.

Other Miscellaneous revenue increased by \$ 727,555 from the budget amount. A reversal of a tax credit liability of \$ 460,953 for unclaimed reimbursement of Ad Valorem taxes to qualified tenants is largely the reason for the increase. In addition, the Town received other miscellaneous revenue including impact fees that was not part of the forecast resulted in the increase in revenues for the year.

Grant revenues were approximately \$ 137,500 less than the original budgeted amount. After careful consideration, the Town declined participating in the grant program offered by Rural Development to upgrade the elevators, which resulted in the decline in grant revenues received during the fiscal year 2012/2013.

Some of the additional variances noted on revenues are as follows. Collections for charges for services were more than the budgeted amount by \$ 87,375, this increase can be mostly attributed to higher collections for EMS transport in the amount of \$ 69,449 from the original forecast. The collections for fines and forfeitures are hard to predict from year to year. In this instance, a good analyst of revenues may be to look at collections for the previous year to forecast similar collections for the budget for current fiscal year. During fiscal year 2012/2013 the budgeted amount was less than revenue collected during the year by \$ 52,434.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Town had \$ 13,221,645 net of depreciation invested in capital assets on September 30, 2013. The following schedule summarizes capital asset activity over the past fiscal year:

For more detailed information, please refer to the notes to the financial statements on pages 37 and 38:

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|--------------------|----------------------|----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Capital assets, not being depreciated: | | | | | | |
| Land | \$ 2,120,064 | \$ 2,120,064 | \$ - | \$ - | \$ 2,120,064 | \$ 2,120,064 |
| Construction in progress | - | 385 | 99,657 | 313,120 | 99,657 | 313,505 |
| Total capital assets not being depreciated | <u>2,120,064</u> | <u>2,120,449</u> | <u>99,657</u> | <u>313,120</u> | <u>2,219,721</u> | <u>2,433,569</u> |

TOWN OF PEMBROKE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Capital assets being depreciated: | | | | | | |
| Buildings | 984,935 | 984,935 | - | - | 984,935 | 984,935 |
| Improvements other than buildings | 3,069,117 | 2,925,490 | - | - | 3,069,117 | 2,925,490 |
| Infrastructure | - | - | 16,150,435 | 15,848,698 | 16,150,435 | 15,848,698 |
| Machinery and equipment | 1,105,149 | 907,006 | 59,795 | 59,795 | 1,164,944 | 966,801 |
| Total capital assets being depreciated | 5,159,201 | 4,817,431 | 16,210,230 | 15,908,493 | 21,369,431 | 20,725,924 |
| Less accumulated depreciation for: | | | | | | |
| Buildings | 847,042 | 827,345 | - | - | 847,042 | 827,345 |
| Improvements other than buildings | 1,422,945 | 1,278,817 | - | - | 1,422,945 | 1,278,817 |
| Infrastructure | - | - | 7,177,494 | 6,422,017 | 7,177,494 | 6,422,017 |
| Machinery and equipment | 860,231 | 805,825 | 59,795 | 59,795 | 920,026 | 865,620 |
| Total accumulated depreciation | 3,130,218 | 2,911,987 | 7,237,289 | 6,481,812 | 10,367,507 | 9,393,799 |
| Total capital assets being depreciated, net | 2,028,983 | 1,905,444 | 8,972,941 | 9,426,681 | 11,001,924 | 11,332,125 |
| Total capital assets, net | \$ 4,149,047 | \$ 4,025,893 | \$ 9,072,598 | \$ 9,739,801 | \$ 13,221,645 | \$ 13,765,694 |

The Town will continue its capital outlay efforts by upgrading the water and wastewater lines. The amount spent on these infrastructure improvements remains fairly consistent from year to year. During fiscal year 2012/2013, the Town continued upgrades on the sewer and stormwater systems. Funding for these projects was provided through a combination of federal and state grants.

Debt:

The Town had debt totaling \$ 4,383,050 at September 30, 2013. This amount includes compensated absences. Total debt outstanding at the end of the prior fiscal year was \$ 4,813,892. For more detailed information, please refer to the notes to the financial statements on pages 39 and 40.

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------|-------------------------|-------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Compensated absences | \$ 244,669 | \$ 241,674 | \$ 24,001 | \$ 27,413 | \$ 268,670 | \$ 269,087 |
| OPEB Obligation | 6,498 | 6,925 | 1,309 | - | 7,807 | 6,925 |
| Capital lease | 8,387 | 24,434 | - | - | 8,387 | 24,434 |
| Note payable | - | - | 1,824,993 | 2,211,371 | 1,824,993 | 2,211,371 |
| Bonds payable | - | - | 2,281,000 | 2,309,000 | 2,281,000 | 2,309,000 |
| | \$ 259,554 | \$ 273,033 | \$ 4,131,303 | \$ 4,547,784 | \$ 4,390,857 | \$ 4,820,817 |

**TOWN OF PEMBROKE PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic factors:

The Town's primary sources of revenue are property taxes and utility charges for services. State shared revenues, which include telecommunication taxes, account for another large source of revenue.

Over the past year and continuing for the foreseeable future, there has been a modest growth in the local economy. A major factor contributing to this has been the increase in property values at the national level and a lower rate of unemployment. While the decrease in taxable value has been modest for our Town, it has followed several years of extraordinary increases, during which time it has allowed the Town to build up a sizeable fund balance. The Town has a very diverse tax base including substantial amounts of commercial and industrial property which should allow for a smaller impact to ad valorem revenues in the future years should the economy experience a downturn. For more information regarding the Town's property taxes please refer to the notes to the financial statements.

REQUESTS FOR INFORMATION

This entire report has been prepared by the finance department of the Town of Pembroke Park, Florida with the assistance of the Town's external auditors. Every effort has been made to make this report understandable to the reader. Any questions or comments about this report are welcomed and may be directed to the Town's Finance Director at (954) 966-4600, Extension 232; Fax (954) 961-4760, or by mail to the Town of Pembroke Park, Finance Director; 3150 SW 52nd Avenue; Pembroke Park, Florida 33023.

TOWN OF PEMBROKE PARK, FLORIDA
STATEMENT OF NET POSITION
September 30, 2013

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|----------------------|
| ASSETS: | | | |
| Current assets: | | | |
| Equity in pooled cash, cash equivalents and investments | \$ 4,430,904 | \$ 4,626,295 | \$ 9,057,199 |
| Accounts receivable, net | 405,057 | 646,349 | 1,051,406 |
| Due from other governments | 180,484 | - | 180,484 |
| Prepaid expenses | 54,441 | 13,120 | 67,561 |
| | <u>5,070,886</u> | <u>5,285,764</u> | <u>10,356,650</u> |
| Total current assets | | | |
| Noncurrent assets: | | | |
| Net pension asset | 365,186 | - | 365,186 |
| Capital assets: | | | |
| Non-depreciable | 2,120,064 | 99,657 | 2,219,721 |
| Depreciable | 2,028,983 | 8,972,941 | 11,001,924 |
| | <u>4,514,233</u> | <u>9,072,598</u> | <u>13,586,831</u> |
| Total noncurrent assets | | | |
| | <u>9,585,119</u> | <u>14,358,362</u> | <u>23,943,481</u> |
| Total assets | | | |
| LIABILITIES: | | | |
| Current liabilities: | | | |
| Accounts payable | 168,889 | 101,168 | 270,057 |
| Payroll liabilities | 75,141 | 10,937 | 86,078 |
| Accrued liabilities | 18,925 | 14,704 | 33,629 |
| Unearned revenue | 220,187 | - | 220,187 |
| Deposits | 5,341 | - | 5,341 |
| Current portion of compensated absences payable | 48,934 | 4,800 | 53,734 |
| Current portion of debt | 8,387 | 432,259 | 440,646 |
| | <u>545,804</u> | <u>563,868</u> | <u>1,109,672</u> |
| Total current liabilities | | | |
| Noncurrent liabilities: | | | |
| OPEB obligation | 6,498 | 1,309 | 7,807 |
| Compensated absences payable | 195,735 | 19,201 | 214,936 |
| Debt | - | 3,673,734 | 3,673,734 |
| | <u>202,233</u> | <u>3,694,244</u> | <u>3,896,477</u> |
| Total noncurrent liabilities | | | |
| | <u>748,037</u> | <u>4,258,112</u> | <u>5,006,149</u> |
| Total liabilities | | | |
| NET POSITION: | | | |
| Net investment in capital assets | 4,140,660 | 4,966,605 | 9,107,265 |
| Restricted for: | | | |
| Law enforcement | 199,604 | - | 199,604 |
| Debt service | - | 72,992 | 72,992 |
| Unrestricted | 4,496,818 | 5,060,653 | 9,557,471 |
| | <u>4,496,818</u> | <u>5,060,653</u> | <u>9,557,471</u> |
| Total net position | | | |
| | <u>\$ 8,837,082</u> | <u>\$ 10,100,250</u> | <u>\$ 18,937,332</u> |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2013

| | Program Revenues | | | Net Revenue (Expense) and Change in Net Position | | | |
|---|----------------------|-------------------------|--|---|----------------------------|-----------------------------|----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| FUNCTIONS/PROGRAMS: | | | | | | | |
| Primary government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 2,220,061 | \$ 142,622 | \$ - | \$ - | \$ (2,077,439) | \$ - | \$ (2,077,439) |
| Public safety | 5,898,517 | 1,233,541 | - | - | (4,664,976) | - | (4,664,976) |
| Physical environment | 251,169 | - | - | - | (251,169) | - | (251,169) |
| Public works | 341,949 | - | - | 100,684 | (241,265) | - | (241,265) |
| Culture and recreation | 526,750 | 3,700 | - | - | (523,050) | - | (523,050) |
| Interest expense | 1,175 | - | - | - | (1,175) | - | (1,175) |
| Total governmental activities | <u>9,239,621</u> | <u>1,379,863</u> | <u>-</u> | <u>100,684</u> | <u>(7,759,074)</u> | <u>-</u> | <u>(7,759,074)</u> |
| Business-type activities: | | | | | | | |
| Sewer utility | 2,217,437 | 2,429,211 | - | 1,334 | - | 213,108 | 213,108 |
| Stormwater drainage district | 888,267 | 1,027,237 | - | 198,273 | - | 337,243 | 337,243 |
| Total business-type activities | <u>3,105,704</u> | <u>3,456,448</u> | <u>-</u> | <u>199,607</u> | <u>-</u> | <u>550,351</u> | <u>550,351</u> |
| Total primary government | <u>\$ 12,345,325</u> | <u>\$ 4,836,311</u> | <u>\$ -</u> | <u>\$ 300,291</u> | <u>(7,759,074)</u> | <u>550,351</u> | <u>(7,208,723)</u> |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Ad valorem taxes | | | | | 4,361,937 | - | 4,361,937 |
| Local option gas tax | | | | | 104,395 | - | 104,395 |
| Franchise taxes | | | | | 821,477 | - | 821,477 |
| Utility service taxes | | | | | 895,817 | - | 895,817 |
| Unrestricted intergovernmental revenues | | | | | 777,792 | - | 777,792 |
| Interest income | | | | | 50,652 | 76 | 50,728 |
| Miscellaneous | | | | | 1,081,494 | - | 1,081,494 |
| Total general revenues | | | | | <u>8,093,564</u> | <u>76</u> | <u>8,093,640</u> |
| Change in net position | | | | | 334,490 | 550,427 | 884,917 |
| Net position at beginning of year | | | | | 8,502,592 | 9,549,823 | 18,052,415 |
| Net position at end of year | | | | | <u>\$ 8,837,082</u> | <u>\$ 10,100,250</u> | <u>\$ 18,937,332</u> |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUND
September 30, 2013

| | <u>General Fund</u> |
|--|-------------------------|
| ASSETS: | |
| Equity in pooled cash, cash equivalents and investments | \$ 4,430,904 |
| Accounts receivable, net of allowances | 405,057 |
| Due from other governments | 180,484 |
| Prepaid expenditures | <u>54,441</u> |
| Total assets | <u>\$ 5,070,886</u> |
| LIABILITIES AND FUND BALANCE: | |
| Liabilities: | |
| Accounts payable | \$ 168,889 |
| Payroll liabilities | 75,141 |
| Accrued liabilities | 18,925 |
| Unearned revenue | 220,187 |
| Deposits | <u>5,341</u> |
| Total liabilities | <u>488,483</u> |
| Fund balance: | |
| Nonspendable: | |
| Prepaid expenditures | 54,441 |
| Restricted for: | |
| Law enforcement | 199,604 |
| Committed to: | |
| Retirement benefits | 343,411 |
| Assigned to: | |
| Subsequent years budget | 563,519 |
| Unassigned | <u>3,421,428</u> |
| Total fund balance | <u>4,582,403</u> |
| Total liabilities and fund balance | <u>\$ 5,070,886</u> |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
September 30, 2013

| | | |
|--|--------------------|--------------------------------|
| FUND BALANCE - GOVERNMENTAL FUND | | \$ 4,582,403 |
| <p>Amounts reported for governmental activities in the statement of net position are different because:</p> | | |
| <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund:</p> | | |
| The cost of capital assets is | \$ 7,279,265 | |
| Accumulated depreciation is | <u>(3,130,218)</u> | 4,149,047 |
| <p>Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund:</p> | | |
| Net pension asset | | 365,186 |
| <p>Certain liabilities are not due and payable in the current period and, therefore, are not reported in the fund:</p> | | |
| Net OPEB liability | | (6,498) |
| Capital lease payable | | (8,387) |
| Compensated absences payable | | <u>(244,669)</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | | \$ <u><u>8,837,082</u></u> |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND
For the Year Ended September 30, 2013

| | <u>General Fund</u> |
|-----------------------------------|-------------------------|
| REVENUES: | |
| Ad valorem taxes | \$ 4,361,937 |
| Local option gas tax | 104,395 |
| Franchise taxes | 821,477 |
| Utility Service taxes | 895,817 |
| Licenses and permits | 965,325 |
| Intergovernmental revenues | 755,640 |
| Charges for services | 365,604 |
| Fines and forfeitures | 75,025 |
| Grant revenues | 100,684 |
| Interest income | 50,652 |
| Miscellaneous revenues | <u>1,077,555</u> |
| Total revenues | <u>9,574,111</u> |
| EXPENDITURES: | |
| Current: | |
| General government | 2,152,564 |
| Public safety | 5,893,798 |
| Physical environment | 246,506 |
| Public works | 297,520 |
| Culture and recreation | 405,727 |
| Capital outlay | 341,784 |
| Debt service: | |
| Principal | 16,047 |
| Interest | <u>1,175</u> |
| Total expenditures | <u>9,355,121</u> |
| Net change in fund balance | 218,990 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>4,363,413</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 4,582,403</u> |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2013

| | | |
|---|----|---------|
| NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND | \$ | 218,990 |
|---|----|---------|

Amounts reported for governmental activities in the statement of activities are different because:

The governmental fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives:

| | | |
|--|------------------|---------|
| Expenditures for capital assets | \$ 341,784 | |
| Less current year provision for depreciation | <u>(218,630)</u> | 123,154 |

Repayment of debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position:

| | |
|--------------------|--------|
| Principal payments | 16,047 |
|--------------------|--------|

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund:

| | |
|--|------------|
| Change in compensated absences payable | (2,995) |
| Change in net pension asset | (21,133) |
| Change in OPEB Liability | <u>427</u> |

| | | |
|--|----|-----------------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | <u><u>334,490</u></u> |
|--|----|-----------------------|

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary | Variance |
|-----------------------------|------------------|------------------|--------------------------------|-----------------|
| | Original | Final | Basis | |
| REVENUES: | | | | |
| Ad valorem taxes: | | | | |
| Current | \$ 4,480,735 | \$ 3,835,729 | \$ 3,811,123 | \$ (24,606) |
| Delinquent | 80,000 | 515,109 | 537,931 | 22,822 |
| Interest | 4,440 | 10,854 | 12,883 | 2,029 |
| Total ad valorem taxes | <u>4,565,175</u> | <u>4,361,692</u> | <u>4,361,937</u> | <u>245</u> |
| Local option gas tax | <u>107,395</u> | <u>104,395</u> | <u>104,395</u> | <u>-</u> |
| Franchise taxes: | | | | |
| Electric | 573,484 | 549,335 | 549,335 | - |
| Garbage | 256,604 | 253,692 | 253,692 | - |
| Towing | 10,000 | 10,000 | 10,000 | - |
| Bus stop | 8,450 | 8,450 | 8,450 | - |
| Total franchise taxes | <u>848,538</u> | <u>821,477</u> | <u>821,477</u> | <u>-</u> |
| Utility service taxes: | | | | |
| Electric | 609,208 | 670,688 | 670,688 | - |
| Water | 202,154 | 227,307 | 211,577 | (15,730) |
| Gas | 17,500 | 13,552 | 13,552 | - |
| Total utility service taxes | <u>828,862</u> | <u>911,547</u> | <u>895,817</u> | <u>(15,730)</u> |
| Licenses and permits: | | | | |
| Building permits | 149,000 | 251,467 | 251,467 | - |
| Occupational licenses | 139,358 | 142,867 | 142,622 | (245) |
| Processing fees | 91,014 | 91,898 | 91,898 | - |
| Building inspections | 87,723 | 141,957 | 141,957 | - |
| Sign fees | 50,109 | 91,574 | 91,574 | - |
| Electrical permits | 48,000 | 53,083 | 53,083 | - |
| Mechanical permits | 32,000 | 45,553 | 45,553 | - |
| Other licenses and permits | 26,113 | 77,365 | 77,365 | - |
| Certificate of use | 24,000 | 22,347 | 22,347 | - |
| Plumbing permits | 22,000 | 35,069 | 35,069 | - |
| Zoning and variance fees | 12,633 | 12,390 | 12,390 | - |
| Total licenses and permits | <u>681,950</u> | <u>965,570</u> | <u>965,325</u> | <u>(245)</u> |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
(continued)

For the Year Ended September 30, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary | Variance |
|---|------------------|------------------|--------------------------------|-----------------|
| | Original | Final | Basis | |
| Intergovernmental revenues: | | | | |
| State sales tax | 350,058 | 356,606 | 356,606 | - |
| Communication tax | 266,687 | 226,873 | 226,873 | - |
| State revenue sharing | 157,146 | 160,010 | 160,010 | - |
| Alcoholic beverage licenses | 8,191 | 4,700 | 4,700 | - |
| Mobile home licenses | 7,210 | 7,451 | 7,451 | - |
| | <u>789,292</u> | <u>755,640</u> | <u>755,640</u> | <u>-</u> |
| Total intergovernmental revenues | | | | |
| Charges for services: | | | | |
| EMS transport fees | 226,494 | 295,943 | 295,943 | - |
| Other charges | 38,035 | 43,854 | 43,854 | - |
| Penalty and late charges | 6,000 | 12,118 | 12,118 | - |
| Impact fees | - | 3,939 | 3,939 | - |
| Rental fees | 4,700 | 3,700 | 3,700 | - |
| False alarm fee | 3,000 | 6,050 | 6,050 | - |
| | <u>278,229</u> | <u>365,604</u> | <u>365,604</u> | <u>-</u> |
| Total charges for services | | | | |
| Fines and forfeitures: | | | | |
| Forfeitures and seizures | 69,000 | 22,152 | 22,152 | - |
| Code enforcement fines | 30,082 | 18,673 | 18,673 | - |
| Other fines | 28,377 | 32,839 | 34,200 | 1,361 |
| | <u>127,459</u> | <u>73,664</u> | <u>75,025</u> | <u>1,361</u> |
| Total fines and forfeitures | | | | |
| Grant revenues | 238,184 | 100,684 | 100,684 | - |
| Interest income | 47,205 | 48,972 | 50,652 | 1,680 |
| Other miscellaneous revenue | 350,000 | 1,077,555 | 1,077,555 | - |
| Total revenues | <u>8,862,289</u> | <u>9,586,800</u> | <u>9,574,111</u> | <u>(12,689)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government: | | | | |
| Mayor and Commission: | | | | |
| Personal services | 326,401 | 336,694 | 336,694 | - |
| Operating expenditures | 74,631 | 29,754 | 29,754 | - |
| Capital outlay | 2,000 | 400 | 400 | - |
| | <u>403,032</u> | <u>366,848</u> | <u>366,848</u> | <u>-</u> |
| Total Mayor and Commission | | | | |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
(continued)

For the Year Ended September 30, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance |
|------------------------------------|------------------|------------------|---|---------------|
| | Original | Final | | |
| Financial and administrative: | | | | |
| Personal services | 970,045 | 1,005,433 | 1,005,433 | - |
| Operating expenditures | 153,584 | 113,463 | 113,463 | - |
| Capital outlay | 7,000 | 4,626 | 4,626 | - |
| Total financial and administrative | <u>1,130,629</u> | <u>1,123,522</u> | <u>1,123,522</u> | <u>-</u> |
| Town attorney: | | | | |
| Operating expenditures | 129,560 | 115,917 | 115,917 | - |
| Total Town attorney | <u>129,560</u> | <u>115,917</u> | <u>115,917</u> | <u>-</u> |
| Comprehensive planning: | | | | |
| Operating expenditures | 205,800 | 181,025 | 181,025 | - |
| Total comprehensive planning | <u>205,800</u> | <u>181,025</u> | <u>181,025</u> | <u>-</u> |
| Non departmental: | | | | |
| Operating expenditures | 426,015 | 383,008 | 370,278 | 12,730 |
| Capital outlay | - | 6,020 | 3,020 | 3,000 |
| Total non departmental | <u>426,015</u> | <u>389,028</u> | <u>373,298</u> | <u>15,730</u> |
| Total general government | <u>2,295,036</u> | <u>2,176,340</u> | <u>2,160,610</u> | <u>15,730</u> |
| Public safety: | | | | |
| Police: | | | | |
| Operating expenditures | 2,570,288 | 2,543,231 | 2,543,231 | - |
| Capital outlay | - | 36,674 | 36,674 | - |
| Total police | <u>2,570,288</u> | <u>2,579,905</u> | <u>2,579,905</u> | <u>-</u> |
| Fire control: | | | | |
| Operating expenditures | 2,762,193 | 2,775,714 | 2,775,714 | - |
| Total fire control | <u>2,762,193</u> | <u>2,775,714</u> | <u>2,775,714</u> | <u>-</u> |
| Protective inspections: | | | | |
| Personal services | 523,312 | 505,964 | 505,964 | - |
| Operating expenditures | 73,700 | 68,889 | 68,889 | - |
| Capital outlay | 5,000 | 24,594 | 24,594 | - |
| Total protective inspections | <u>602,012</u> | <u>599,447</u> | <u>599,447</u> | <u>-</u> |
| Total public safety | <u>5,934,493</u> | <u>5,955,066</u> | <u>5,955,066</u> | <u>-</u> |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
(continued)
For the Year Ended September 30, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary | Variance |
|------------------------------|---------------------|-------------------|--------------------------------|-----------------|
| | Original | Final | Basis | |
| Physical environment: | | | | |
| Code enforcement: | | | | |
| Personal services | 236,841 | 226,475 | 226,475 | - |
| Operating expenditures | 24,000 | 20,031 | 20,031 | - |
| Capital outlay | 2,000 | 1,686 | 1,686 | - |
| Total physical environment | <u>262,841</u> | <u>248,192</u> | <u>248,192</u> | <u>-</u> |
| Public works: | | | | |
| Road and street facilities: | | | | |
| Personal services | 207,180 | 174,171 | 174,171 | - |
| Operating expenditures | 128,680 | 123,349 | 123,349 | - |
| Capital outlay | 248,184 | 173,010 | 173,010 | - |
| Total public works | <u>584,044</u> | <u>470,530</u> | <u>470,530</u> | <u>-</u> |
| Culture and recreation: | | | | |
| Parks and recreation: | | | | |
| Personal services | 322,420 | 315,248 | 315,248 | - |
| Operating expenditures | 62,100 | 90,479 | 90,479 | - |
| Capital outlay | 5,000 | 97,774 | 97,774 | - |
| Total culture and recreation | <u>389,520</u> | <u>503,501</u> | <u>503,501</u> | <u>-</u> |
| Debt service: | | | | |
| Principal | 43,345 | 16,047 | 16,047 | - |
| Interest | 7,529 | 1,175 | 1,175 | - |
| Total debt service | <u>50,874</u> | <u>17,222</u> | <u>17,222</u> | <u>-</u> |
| Total expenditures | <u>9,516,808</u> | <u>9,370,851</u> | <u>9,355,121</u> | <u>15,730</u> |
| Net change in fund balance | \$ <u>(654,519)</u> | \$ <u>215,949</u> | \$ <u>218,990</u> | \$ <u>3,041</u> |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2013

| | Business-Type Activities - Enterprise Funds Major Funds | | |
|--|---|--|---------------|
| | Sewer Utility Fund | Stormwater Drainage District Fund | Total |
| ASSETS: | | | |
| Current assets: | | | |
| Equity in pooled cash, cash equivalents and investments | \$ 2,514,575 | \$ 2,111,720 | \$ 4,626,295 |
| Accounts receivable, net | 495,974 | 150,375 | 646,349 |
| Prepaid expenses | 9,750 | 3,370 | 13,120 |
| Total current assets | 3,020,299 | 2,265,465 | 5,285,764 |
| Non current assets: | | | |
| Capital assets, not being depreciated | - | 99,657 | 99,657 |
| Capital assets, being depreciated, net | 4,130,535 | 4,842,406 | 8,972,941 |
| Total non current assets | 4,130,535 | 4,942,063 | 9,072,598 |
| Total assets | 7,150,834 | 7,207,528 | 14,358,362 |
| LIABILITIES: | | | |
| Current liabilities: | | | |
| Accounts payable | 94,331 | 6,837 | 101,168 |
| Payroll liabilities | 8,801 | 2,136 | 10,937 |
| Accrued interest payable | 8,418 | 6,286 | 14,704 |
| Current portion of compensated absences payable | 3,697 | 1,103 | 4,800 |
| Current portion of debt | 29,000 | 403,259 | 432,259 |
| Total current liabilities | 144,247 | 419,621 | 563,868 |
| Noncurrent liabilities: | | | |
| OPEB obligation | 850 | 459 | 1,309 |
| Compensated absences payable | 14,789 | 4,412 | 19,201 |
| Debt | 2,252,000 | 1,421,734 | 3,673,734 |
| Total noncurrent liabilities | 2,267,639 | 1,426,605 | 3,694,244 |
| Total liabilities | 2,411,886 | 1,846,226 | 4,258,112 |
| NET POSITION: | | | |
| Net investment in capital assets | 1,849,535 | 3,117,070 | 4,966,605 |
| Restricted for debt service | 72,992 | - | 72,992 |
| Unrestricted | 2,816,421 | 2,244,232 | 5,060,653 |
| Total net position | \$ 4,738,948 | \$ 5,361,302 | \$ 10,100,250 |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2013

| | Business-Type Activities - Enterprise Funds Major Funds | | Total |
|--|---|--|---------------|
| | Sewer Utility Fund | Stormwater Drainage District Fund | |
| OPERATING REVENUES: | | | |
| Charges for services | \$ 2,429,211 | \$ 1,027,237 | \$ 3,456,448 |
| Total operating revenues | 2,429,211 | 1,027,237 | 3,456,448 |
| OPERATING EXPENSES: | | | |
| Contractual services | 1,025,717 | 83,590 | 1,109,307 |
| Provision for depreciation | 316,578 | 438,899 | 755,477 |
| Personnel services | 336,068 | 87,892 | 423,960 |
| Administrative services | 243,701 | 104,565 | 348,266 |
| Maintenance and repairs | 48,499 | 55,290 | 103,789 |
| Insurance premiums | 72,194 | 19,576 | 91,770 |
| Utilities | 43,161 | 18,325 | 61,486 |
| Miscellaneous expenses | 30,405 | - | 30,405 |
| Total operating expenses | 2,116,323 | 808,137 | 2,924,460 |
| Operating income | 312,888 | 219,100 | 531,988 |
| NONOPERATING REVENUES (EXPENSES): | | | |
| Impact fees | 1,334 | 14,060 | 15,394 |
| Interest income | 38 | 38 | 76 |
| Interest expense | (101,114) | (80,130) | (181,244) |
| Total nonoperating revenues (expenses) | (99,742) | (66,032) | (165,774) |
| CAPITAL CONTRIBUTIONS | | | |
| Grants | - | 184,213 | 184,213 |
| Changes in net position | 213,146 | 337,281 | 550,427 |
| NET POSITION AT BEGINNING OF YEAR | 4,525,802 | 5,024,021 | 9,549,823 |
| NET POSITION AT END OF YEAR | \$ 4,738,948 | \$ 5,361,302 | \$ 10,100,250 |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For the Year Ended September 30, 2013

| | Business-Type Activities - Enterprise Funds Major Funds | | Total |
|--|---|--|---------------------|
| | Sewer Utility Fund | Stormwater Drainage District Fund | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash received from customers, users and other | \$ 2,269,055 | \$ 995,072 | \$ 3,264,127 |
| Cash paid to employees for services | (331,663) | (93,128) | (424,791) |
| Cash paid to suppliers for goods and services | <u>(1,565,012)</u> | <u>(284,679)</u> | <u>(1,849,691)</u> |
| Net cash provided by operating activities | <u>372,380</u> | <u>617,265</u> | <u>989,645</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Cash received from capital contributions | - | 194,434 | 194,434 |
| Cash received from impact fees | 1,334 | 14,060 | 15,394 |
| Purchase of capital assets | - | (342,123) | (342,123) |
| Principal payments on debt | (28,000) | (386,378) | (414,378) |
| Interest paid | <u>(101,115)</u> | <u>(81,215)</u> | <u>(182,330)</u> |
| Net cash used in capital and related financing activities | <u>(127,781)</u> | <u>(601,222)</u> | <u>(729,003)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Interest received | <u>38</u> | <u>38</u> | <u>76</u> |
| Net increase in cash and equity in pooled cash | 244,637 | 16,081 | 260,718 |
| CASH AND EQUITY IN POOLED CASH AT BEGINNING OF YEAR | <u>2,269,938</u> | <u>2,095,639</u> | <u>4,365,577</u> |
| CASH AND EQUITY IN POOLED CASH AT END OF YEAR | <u>\$ 2,514,575</u> | <u>\$ 2,111,720</u> | <u>\$ 4,626,295</u> |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
(continued)
For the Year Ended September 30, 2013

| | Business-Type Activities - Enterprise Funds | | Total |
|--|--|--|------------|
| | Sewer Utility Fund | Stormwater Drainage District Fund | |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED OPERATING ACTIVITIES: | | | |
| Operating income | \$ 312,888 | \$ 219,100 | \$ 531,988 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Provision for depreciation | 316,578 | 438,899 | 755,477 |
| (Increase) decrease in: | | | |
| Accounts receivable | (160,155) | (32,165) | (192,320) |
| Prepaid expenses | (374) | (177) | (551) |
| Increase (decrease) in: | | | |
| Accounts payable | (100,962) | (3,156) | (104,118) |
| Payroll liabilities | 2,095 | 486 | 2,581 |
| Compensated absences payable | 2,310 | (5,722) | (3,412) |
| Total adjustments | 59,492 | 398,165 | 457,657 |
| Net cash provided by operating activities | \$ 372,380 | \$ 617,265 | \$ 989,645 |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
September 30, 2013

| | |
|------------------------------------|----------------------------|
| ASSETS: | |
| Investments - mutual funds | \$ <u>1,383,455</u> |
| Total assets | <u>1,383,455</u> |
| LIABILITIES | |
| Total liabilities | <u>-</u> |
| NET POSITION: | |
| Held in trust for pension benefits | \$ <u><u>1,383,455</u></u> |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
For the Year Ended September 30, 2013

| | |
|---|---------------------|
| ADDITIONS: | |
| Employer contributions | \$ 108,102 |
| Investment income, net | <u>138,536</u> |
| Total additions | <u>246,638</u> |
| DEDUCTIONS: | |
| Benefit payments | <u>20,472</u> |
| Change in net position | 226,166 |
| NET POSITION HELD IN TRUST FOR PENSION BENEFITS: | |
| October 1, 2012 | <u>1,157,289</u> |
| September 30, 2013 | <u>\$ 1,383,455</u> |

The accompanying notes to financial statements are an integral part of these statements.

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The financial statements of Town of Pembroke Park, Florida (the "Town"), have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies of the Town:

Reporting Entity:

The Town of Pembroke Park was incorporated on December 10, 1957 and established on June 20, 1959 by Chapter 59-1722, Laws of Florida, as amended. The Town provides the following services as authorized by its charter; general government, public safety, physical environment, public works and culture and recreation.

The reporting entity is defined as the primary government and any organizations for which the primary government is financially accountable, and identification of legally separate organizations for which the elected officials of the Town are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete. Based upon this review, there were no potential component units or related organizations of the Town.

Financial accountability is deemed to exist if the primary government appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the primary government.

Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and user charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and compensated absences are recorded only when payment is due.

Property taxes, franchise fees, utility service taxes and interest are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items such as fines and forfeitures and licenses and permits are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental fund:

The General Fund is the principal operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this Fund.

The Town reports the following major proprietary funds:

The Sewer Utility Fund accounts for the operation of the Town's sewer utility system.

The Stormwater Drainage District Fund accounts for providing drainage services to the residents of the Town.

Additionally, the Town reports the Pension Trust Fund as a fiduciary fund, which accounts for the activities of the pension plan provided to the Town's commissioners.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenue of the Sewer Utility Fund and Stormwater Drainage District Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and the provision for depreciation of capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed.

Cash and Cash Equivalents:

In connection with the statement of cash flows, the Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less when purchased.

The Town maintains a cash and investment pool that is available for use by all funds to facilitate the cash management process. Each fund's portion of this pool is included on the statement of net position/balance sheet as "equity in pooled cash, cash equivalents and investments."

Investments:

Investments are stated at fair value.

Capital Assets:

Capital assets, which include land, construction in progress, buildings, improvements other than buildings, infrastructure and machinery and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of more than \$ 250 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period for Enterprise Funds.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| | |
|-----------------------------------|-------------|
| Buildings | 50 years |
| Improvements other than buildings | 10-20 years |
| Infrastructure | 20 years |
| Machinery and equipment | 5 years |

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GASB No. 34 encourages but does not require certain governments to retroactively report infrastructure assets. The Town has elected not to retroactively report any unrecorded infrastructure that may exist.

Long-Term Debt:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Compensated Absences Payable:

Town employees may accumulate unused vacation and sick time and may be compensated for such time upon termination of employment at their pay rate in effect at their retirement date. For sick time, there is a limit payable upon termination of no more than \$ 500 for employees. For vacation time, the amount payable upon termination is limited to 400 hours of leave. The liability for these compensated absences in the General Fund is recorded as a long-term liability in the government-wide statement of net position. In the fund financial statements, governmental funds report only the compensated absence liabilities that have matured. In addition, the General Fund has always been used to liquidate compensated absences payable.

Encumbrances:

Appropriations in budgetary funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. Encumbrances outstanding at year end represent the estimated amount of the expenditures ultimately to result if unperformed contracts in process at year end are completed. Encumbrances outstanding at year end do not constitute expenditures or liabilities. These encumbrances will be honored by Town of Pembroke Park, Florida, and because of this, the encumbrances are reserved from fund balance. The Town had no encumbrances outstanding as of September 30, 2013.

Accounts Receivable:

Accounts receivable reflected in the Sewer Utility Fund and the Stormwater Drainage District Fund are presented net of an allowance for doubtful accounts of \$ 171,721. No allowance for doubtful accounts is considered necessary for the accounts receivable in the General Fund.

Deferred outflows/inflows of resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town does not have any items that qualify for reporting in this category.

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Receivables and Payables:

Transactions between funds that are representative of lending/borrowing arrangement outstanding at the end of the year are referred to as either "interfund receivables/payables." Any residual outstanding balances between the governmental activities and business-type activities at year end are reported in the government-wide financial statements as internal balances. Accounts receivable in the Sewer Utility Fund and Stormwater Drainage District Fund are net of an allowance for doubtful accounts of \$ 125,944 and \$ 39,777, respectively.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Equity classifications:

Government-wide statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Statements

The Town presents fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Town Commission is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned: This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Council or through the Town Council delegating this responsibility to the Town manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned: This classification includes the residual fund balance for the General Fund.

It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Date of Management review:

Subsequent events were evaluated through March 19, 2014 which is the date the financial statements were to be issued.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting:

The Town adopts annual operating budgets for the General Fund and the Enterprise Funds, which are prepared on a basis consistent with generally accepted accounting principles, except for the provision for depreciation and amortization which is not budgeted in the Enterprise Funds. Amendments are made to the budgets during the year as approved by the Town Commission. The Town follows State guidelines in filing and submitting their budgets. Appropriations are legally controlled at the department level. Unexpended portions of budget categories lapse at year end.

Level of Control:

The adoption of the budget by the Town Commission constitutes the legal appropriation of the amounts specified therein as expenditures from the appropriate governmental fund. A department budget cannot be exceeded unless the Town Commission has approved a supplemental appropriation, by motion, at a public meeting. The Town Manager may authorize a budget adjustment among the various line items within a department, as long as the total budget for the department does not change.

TOWN OF PEMBROKE PARK, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2013

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits:

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity’s name.

At September 30, 2013, the total carrying amount of the Town’s cash balances was \$ 2,453,884. The bank balance at local depositories was \$ 2,645,178. In addition, \$ 250 was held in petty cash.

| | Carrying Amount | Bank Balance |
|---------------------|--------------------|-----------------|
| Collateral pool | \$ 2,203,884 | \$ 2,395,178 |
| Insured by F.D.I.C. | 250,000 | 250,000 |
| | \$ 2,453,884 | \$ 2,645,178 |

Investments - Town:

The investment of funds is authorized by Florida Statutes, which allows the District to invest in the Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, SEC registered money market funds with the highest credit quality rating, interest bearing-time deposits or savings accounts in qualified public depositories and direct obligations of the U.S. Treasury.

The Town invests surplus funds in external investment pools, the Local Government Surplus Funds Trust Fund (the “State Pool”), administered by the Florida State Board of Administration (“SBA”) and the Florida Municipal Investment Trust administered by the Florida League of Cities.

The Town’s investments follow the investment rules as defined in Florida Statutes Chapter 215. The Town has not adopted a separate investment policy.

The SBA previously reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Pool into two separate pools (“Florida PRIME” and “Fund B”)

The Florida PRIME has adopted operating procedures with the requirement for a 2a7-like fund. The Town’s investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

The Fund B is reported at fair value, determined by the fair value per share of the pool’s underlying portfolio.

TOWN OF PEMBROKE PARK, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2013

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

| Investment | Maturities | Fair Value |
|---------------|---|------------|
| Florida PRIME | Weighted average years to maturity is less than one | \$ 303,737 |

As of September 30, 2013, the Town had the following investments:

| Investment | Maturities | Fair Value |
|--|--|--------------|
| Fund B | Weighted average life is 4.04 years | \$ 35,865 |
| Florida Municipal Investment Trust 1-3 Year High Quality Bond Fund | Weighted average years to maturity is 1.64 years | \$ 5,920,051 |

Credit Risk:

The Town's investments held within the Florida Municipal Investment Trust carry a Fitch rating of AAA/V2. The Florida PRIME is rated AAAM by Standard and Poor's and Fund B is not rated by any nationally recognized statistical rating agency.

Interest Rate Risk:

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investments fair value. The Town's investment within the Florida Municipal Investment Trust and SBA are exposed to interest rate risk. The 1-3 Year High Quality Bond Fund has an effective duration and weighted average maturity of 1.64 years. The weighted average maturity of the Florida PRIME is 44 days. The weighted average life of Fund B is estimated at 4.04 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life.

Life Insurance Contracts and Variable Annuity:

In order to provide death benefits to a Town Commissioner (Note 7), the Town has entered into a life insurance contracts and purchases a variable annuity contract with a financial institution. The fair value of these contracts as of September 30, 2013 is \$ 343,412. The value of these contracts is presented as committed fund balance.

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Investments – Town Commissioner Pension Plan:

As of September 30, 2013, the Town’s Commissioner Pension Plan (the “Plan”) had the following investments:

| | | |
|-------------------------------------|----|-----------|
| Loomis Sayles Investment Grade Bond | \$ | 512,661 |
| Allianzgi NFJ Large Cap Value | | 281,373 |
| Janus Concentrated Large Cap Growth | | 259,357 |
| Janus Overseas Fund | | 125,043 |
| DFA U.S. Targeted Value Portfolio | | 105,406 |
| Alger Small/Mid Cap Growth Fund | | 99,615 |
| | \$ | 1,383,455 |

Interest Rate Risk:

The investments held within the Intermediate Term Bond Fund have an average maturity and effective duration of approximately 9 and 6 years, respectively. The other mutual funds are not subject to interest rate risk.

Credit Risk:

The majority of the investments held within the Intermediate Term Bond Fund have a credit quality between Aaa and A, as rated by a nationally recognized statistical rating agency. The other mutual funds are not subject to credit risk.

NOTE 4 – PROPERTY TAXES

Property taxes are levied and become a lien on real and personal property prior to September 30, and are payable November 1, with discounts of one to four percent if paid prior to March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1, and bear interest of eighteen percent from April 1 until a tax sale certificate is sold at auction.

Assessed values are established by the Broward County Property Appraiser at just values. The assessed value of property at January 1, 2012, upon which the 2012-2013 levy was based, was approximately \$ 524,783,000.

The Town is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$ 10 per \$ 1,000 of assessed valuation for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation long-term debt subject to a limitation on the amount of debt outstanding. The tax rate to finance general governmental services and debt service requirements for the year ended September 30, 2013 was 8.5000 per \$ 1,000.

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013, was as follows:

| PRIMARY GOVERNMENT | | | | |
|--|--------------------------------|------------|-----------|-----------------------------------|
| | Balance, October 1, 2012 | Increases | Decreases | Balance, September 30, 2013 |
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,120,064 | \$ - | \$ - | \$ 2,120,064 |
| Construction in progress | 385 | - | 385 | - |
| Total capital assets, not being depreciated | 2,120,449 | - | 385 | 2,120,064 |
| Capital assets, being depreciated: | | | | |
| Buildings | 984,935 | - | - | 984,935 |
| Improvements other than buildings | 2,925,490 | 143,627 | - | 3,069,117 |
| Machinery and equipment | 907,006 | 198,542 | 399 | 1,105,149 |
| Total capital assets, being depreciated | 4,817,431 | 342,169 | 399 | 5,159,201 |
| Total capital assets | 6,937,880 | 342,169 | 784 | 7,279,265 |
| Less accumulated depreciation for: | | | | |
| Buildings | 827,345 | 19,697 | - | 847,042 |
| Improvements other than buildings | 1,278,817 | 144,128 | - | 1,422,945 |
| Machinery and equipment | 805,825 | 54,805 | 399 | 860,231 |
| Total accumulated depreciation | 2,911,987 | 218,630 | 399 | 3,130,218 |
| Total capital assets, being depreciated, net | 1,905,444 | 123,539 | - | 2,028,983 |
| Governmental activities capital assets, net | \$ 4,025,893 | \$ 123,539 | \$ 385 | \$ 4,149,047 |

Provision for depreciation was charged to functions of the Town as follows:

| | |
|--|------------|
| Governmental Activities: | |
| General government | \$ 45,942 |
| Public safety | 4,224 |
| Physical environment | 3,979 |
| Public works | 44,028 |
| Culture and recreation | 120,457 |
| Total provision for depreciation - governmental activities | \$ 218,630 |

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 5 – CAPITAL ASSETS (continued)

| | Balance, October 1, 2012 | Increases | Decreases | Balance, September 30, 2013 |
|--|--------------------------------|-----------------------------|-----------------------------|-----------------------------------|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Business-Type Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Construction in progress | \$ 313,120 | \$ 21,869 | \$ 235,332 | \$ 99,657 |
| Total capital assets, not being depreciated | <u>313,120</u> | <u>21,869</u> | <u>235,332</u> | <u>99,657</u> |
| Capital assets, being depreciated: | | | | |
| Infrastructure | 15,848,698 | 301,737 | - | 16,150,435 |
| Machinery and equipment | <u>59,795</u> | <u>-</u> | <u>-</u> | <u>59,795</u> |
| Total capital assets, being depreciated | <u>15,908,493</u> | <u>301,737</u> | <u>-</u> | <u>16,210,230</u> |
| Total capital assets | <u>16,221,613</u> | <u>323,606</u> | <u>235,332</u> | <u>16,309,887</u> |
| Less accumulated depreciation for: | | | | |
| Infrastructure | 6,422,017 | 755,477 | - | 7,177,494 |
| Machinery and equipment | <u>59,795</u> | <u>-</u> | <u>-</u> | <u>59,795</u> |
| Total accumulated depreciation | <u>6,481,812</u> | <u>755,477</u> | <u>-</u> | <u>7,237,289</u> |
| Total capital assets, being depreciated, net | <u>9,426,681</u> | <u>(453,740)</u> | <u>-</u> | <u>8,972,941</u> |
| Business-type activities capital assets, net | <u>\$ 9,739,801</u> | <u>\$ (431,871)</u> | <u>\$ 235,332</u> | <u>\$ 9,072,598</u> |

Provision for depreciation was charged to functions of the Town as follows:

| | |
|---|-------------------|
| Business-type Activities: | |
| Sewer utility | \$ 316,578 |
| Stormwater drainage district | <u>438,899</u> |
| Total provision for depreciation - business-type activities | <u>\$ 755,477</u> |

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 6 – LONG TERM DEBT

Debt:

During the year ended September 30, 2013, the following changes occurred in debt of governmental activities:

| | Balance, October 1, 2012 | Increases | Decreases | Balance, September 30, 2013 | Due Within One Year |
|------------------------------|--------------------------------|------------------|------------------|-----------------------------------|---------------------------|
| Compensated absences payable | \$ 241,674 | \$ 24,001 | \$ 21,006 | \$ 244,669 | \$ 48,934 |
| Capital lease obligations | 24,434 | - | 16,047 | 8,387 | 8,387 |
| OPEB obligation | 6,925 | - | 427 | 6,498 | - |
| Governmental activity debt | <u>\$ 273,033</u> | <u>\$ 24,001</u> | <u>\$ 37,480</u> | <u>\$ 259,554</u> | <u>\$ 57,321</u> |

Capital lease payable:

The town has several financing agreements that qualify as capital leases for accounting purposes. The leases bear interest at 6.00% and are payable in monthly installments of principal and interest totaling \$ 1,423. Debt service is provided from General Fund revenues. Future principal and interest payments relating to these leases are approximately as follows:

| Year Ending September 30, | Principal | Interest |
|------------------------------|-----------|----------|
| 2014 | \$ 8,400 | \$ 200 |
| Thereafter | \$ NONE | \$ NONE |

The following is a summary of Proprietary Fund debt for the year ended September 30, 2013:

| | Balance, October 1, 2012 | Increases | Decreases | Balance, September 30, 2013 | Due Within One Year |
|---------------------------|--------------------------------|-----------------|-------------------|-----------------------------------|---------------------------|
| Note payable | \$ 2,211,371 | - | \$ 386,378 | \$ 1,824,993 | \$ 403,259 |
| Revenue Bond, Series 2009 | 2,309,000 | - | 28,000 | 2,281,000 | 29,000 |
| Compensated absences | 27,413 | 896 | 4,308 | 24,001 | 4,800 |
| OPEB obligation | - | 1,309 | - | 1,309 | - |
| Proprietary Fund debt | <u>\$ 4,547,784</u> | <u>\$ 2,205</u> | <u>\$ 418,686</u> | <u>\$ 4,131,303</u> | <u>\$ 437,059</u> |

The Town previously obtained a term note in the amount of \$ 5,265,000 to refinance an existing note of \$ 2,765,000 and provide funds of approximately \$ 2,500,000 for stormwater drainage capital projects. The note bears interest at a fixed rate of 4.00%, payable monthly through December 2017. The term loan is secured by public service taxes and the net system revenues of the Stormwater Drainage District Fund. The Town must fix, establish and maintain stormwater rates in an amount, that when added to public service taxes, generates pledged revenues sufficient to cover annual debt service by 1.50 times. For the year ended September 30, 2013, this covenant has been met.

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 6 – LONG TERM DEBT (continued)

The Town previously issued Sewer Revenue Bond, Series 2009, in the amount of \$ 2,360,000. The bond proceeds were used to pay off the entire balance of the interim financing that had been used to finance a part of the cost of acquiring, constructing and erecting extensions and improvements to the municipal sewer system of the Town. The Bond bears interest, payable annually on September 1, at the rate of 4.375% per annum through September 2048. Principal is due beginning on September 1, 2011 through September 1, 2048. The Bond contains certain restrictive covenants which include; adopting annual operating budgets, the establishment of revenue, operation and maintenance and bond sinking funds; and the establishment of rates sufficient to satisfy debt service requirements. The Bond is secured by a pledge of revenues from the Town’s revenues from the Sewer Utility Fund.

The following is a schedule of approximate future debt service requirements for Business-type activities at September 30, 2013:

| Year Ending September 30, | Principal | Interest |
|------------------------------|------------|------------|
| 2014 | \$ 432,200 | \$ 164,100 |
| 2015 | \$ 449,700 | \$ 146,400 |
| 2016 | \$ 467,800 | \$ 128,000 |
| 2017 | \$ 487,700 | \$ 108,900 |
| 2018 | \$ 144,600 | \$ 94,800 |
| 2019-2023 | \$ 194,000 | \$ 448,700 |
| 2024-2028 | \$ 240,000 | \$ 402,000 |
| 2029-2033 | \$ 298,000 | \$ 344,600 |
| 2034-2038 | \$ 370,000 | \$ 273,400 |
| 2039-2043 | \$ 456,000 | \$ 185,300 |
| 2044-2048 | \$ 566,000 | \$ 76,400 |

NOTE 7 – PENSION PLANS

Employees' Pension Plans:

The Town previously elected to participate in the Florida Retirement System (“FRS”). All general employees hired after August 1, 1997 participate in the FRS, a cost sharing, multiple-employer, public retirement system controlled by the State Legislature and administered by the State of Florida Department of Administration, Division of Retirement. The FRS provides retirement and disability benefits, annual costs of living adjustments and death benefits to Plan members and beneficiaries. A post-employment health insurance subsidy is also provided to eligible employees.

Benefits are established by Chapter 121, Florida Statutes and Chapter 22B, Florida Administrative Code. Amendments to the law can only be made by an act of the Florida Legislature.

The State of Florida issues a publicly available financial report that includes financial statement and required supplementary information for the FRS. That report may be obtained by writing to the State of Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000.

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 7 – PENSION PLANS (continued)

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due (see Plan Description for current rates). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial cost method. If an unfunded actuarial liability reemerges as a result of future plan benefit changes, assumption changes or methodology changes, it is assumed any unfunded actuarial liability would be amortized over 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated that future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The system provides for vesting of benefits after six years of creditable service. Employees are eligible for normal retirement at age 62. Early retirement may be taken any time after six years of service. If an eligible employee elects to take early retirement, there is a 5% benefit reduction for each year prior to normal retirement. Benefits are computed on the basis of age and/or years of service, average final compensation and service credit. Average final compensation is the average of the five highest fiscal years of earnings. The system also provides for death and disability benefits.

State law provides for all eligible FRS members to elect and to participate in the Deferred Retirement Option Program (DROP). The DROP allows an employee to retire and defer their monthly retirement benefit to an interest bearing account for up to a maximum of sixty months, and to continue employment with the Town. When the DROP period ends, the employee must terminate employment. At that time, the employee will receive payment of the accumulated DROP benefits, and direct receipt, thereafter, of the FRS monthly retirement benefit.

Contributions to the FRS are made by the Town as a percentage of covered payroll. The required contribution rates in effect at year end were 6.95% for regular service class employees and 18.31% for senior management. Additionally, the Town is required to contribute 12.84% for all DROP participants. At September 30, 2013, the Town had 23 employees participating in the FRS, and 4 participating in the DROP.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2013 and the two preceding years were as follows:

| | <u>Fiscal Year 2013</u> | <u>Fiscal Year 2012</u> | <u>Fiscal Year 2011</u> |
|--|-----------------------------|-----------------------------|-----------------------------|
| Contribution requirements | \$ 130,125 | \$ 97,810 | \$ 200,340 |
| Contributions made | \$ 130,125 | \$ 97,810 | \$ 200,340 |
| Percent of contributions made to requirements | 100% | 100% | 100% |
| Total covered payroll | \$ 1,777,204 | \$ 1,794,838 | \$ 1,855,429 |
| Percent of contributions to total covered payroll | 7.32% | 5.45% | 10.80% |

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 7 – PENSION PLANS (continued)

Additionally, the Town Manager, who elected not to participate in the Florida Retirement System, participates in a defined contribution pension plan created in accordance with Internal Revenue Code Section 401(a). The Town contributes 15% of the Town Manager’s annual salary to the Plan. For the year ended September 30, 2013, this contribution amounted to \$ 34,347.

Town Commissioner Pension Plan:

On March 1, 2003, the Town Commission created, under the laws of the State of Florida, a single employer defined benefit pension plan that covers members of the Town Commission (the “Plan”). The administrative duties for this Plan are handled through Securian Retirement Services. A more detailed description of the Plan appears in the ordinances constituting the Plan and in the Summary Plan Description. The Plan does not issue a stand-alone financial report, but is included in the reporting entity of the Town as a pension trust fund. Amendments to the plan document can only be authorized by the Town Commission. At September 30, 2013, there are 5 active plan members and 2 retirees and beneficiaries receiving benefits.

Members of the Plan are eligible for benefits at their normal retirement date, which is the first day of the month coincident with, or next, following attainment of age 62 or 4 years of credited service if hired prior to October 1, 2008 or attainment of age 62 or 13 years of credited service if hired after.

Normal benefits are equal to 5% of the average monthly compensation multiplied by the credited years of service, with a maximum of 20 credited years. The maximum benefit under the plan is \$ 195,000, which is subject to certain limitations if less than 10 years of credited service are attained.

Upon the death of member, benefits cease to be paid out of Plan assets. However, a beneficiary will receive an annuity equal to the accrued benefit owed to the plan member, payable over 10 years. This will be funded through the Town’s General Fund (Note 9).

During the year, the Town made a contribution to the Plan in the amount of \$ 108,102. At September 30, 2013, the Plan holds \$ 1,383,455 in investments (Note 3).

The most recent actuarial valuation for the Plan was completed as of October 1, 2012. The following information reflects the Town’s annual pension cost and net pension asset for the year ended September 30, 2013:

| | | |
|--|----|-----------|
| Annual required contribution | \$ | 99,693 |
| Interest on net pension obligation | | (15,172) |
| Adjustment to annual required contribution | | 44,714 |
| Annual pension cost | | 129,235 |
| Contributions made | | (108,102) |
| Decrease in net pension asset | | 21,133 |
| Net pension asset, beginning of year | | (386,319) |
| Net pension asset, end of year | \$ | (365,186) |

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 7 – PENSION PLANS (continued)

Trend Information

| Fiscal Year Ended | Annual Pension Cost (APC) | Actual Contribution | Percentage of APC Contributed | Net Pension Asset |
|-------------------------|---------------------------------|------------------------|-------------------------------------|----------------------|
| 09/30/13 | \$ 129,235 | \$ 108,102 | 84% | \$ 365,186 |
| 09/30/12 | \$ 159,138 | \$ 82,875 | 52% | \$ 386,319 |
| 09/30/11 | \$ 183,994 | \$ 141,245 | 77% | \$ 462,582 |

Actuarial methods and significant assumptions used to determine the annual required contributions for the current year are as follows:

| | |
|-------------------------------|---|
| Valuation date | October 1, 2012 |
| Actuarial cost method | Aggregate |
| Amortization method | Level dollar closed |
| Remaining amortization period | 8 Years |
| Asset valuation method | Market value adjusted for contributions receivable or prepaid |
| Actuarial assumptions: | |
| Rate of return | 5.0% |
| Projected salary increases | 3.0% |
| Inflation adjustment | 3.5% |

The aggregate actuarial cost method does not separately amortize unfunded actuarial accrued liabilities information about funded status and funding progress is presented using the entry age actuarial cost method. Therefore, information presented is intended to serve as a surrogate for the funded status and funding progress of the plan.

The funded status of the Plan as of October 1, 2012, the most recent actuarial valuation date, is as follows:

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (b) - (a) | Funded Ratio (a) / (b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll (b-a) / (c) |
|--------------------------------|--|---|------------------------------|------------------------------|---------------------------|--|
| 10/01/12 | \$ 1,079,901 | \$ 1,635,968 | \$ 556,067 | 66.0% | \$ 25,956 | 2142.3% |

The schedule of funding progress presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the UAAL for benefits.

TOWN OF PEMBROKE PARK, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2013

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS

Plan Description and Funding Policy:

The Town offers retired employees the opportunity to retain the Town’s health insurance coverage. Retirees contribute an amount equal to the actual premium for health insurance that is charged by the carrier. However, there is an implied subsidy in the insurance premium for retirees because the premium charged for retirees is the same as the premium charged for active employees, who are younger than retirees on average

Additionally, Town Commissioner’s beneficiaries are eligible for a pre-funded benefit should the Commissioner become deceased while in active service. The funding for this benefit has been accomplished through the purchase of life insurance products or an annuity product that is expected to cover the costs of the possible benefits.

During the year, the Town had 30 active participants and no retirees receiving benefits.

Actuarial Assumptions:

Projections of benefits are based on the substantive plan and include the types of benefits in force at the time of valuation date and the pattern of sharing benefits between the Town and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce the short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Additionally, actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The cost developed pursuant to GASB 45 is only an estimate of the true cost of providing post-employment benefits. The basis for these benefits is authorized by the Town Commission by resolution.

The latest valuation is measured as of October 1, 2012 based on the following methods and assumptions:

| | |
|------------------------|---|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Percentage of Payroll (Closed Amortization over 30 years) |
| Investment return | 4.50% per annum |
| Healthcare cost trend: | |
| Pre-Medicare: | 8.5% in 2013, trending to 4.50% in 2017 |
| Post-Medicare: | 8.5% in 2013, trending to 4.5% in 2017 |

A stand-alone actuarial valuation reports has been prepared by an independent actuary and is available for review at the Finance Department in Town Hall, 3150 S.W. 52nd Avenue; Pembroke Park, FL 33023.

The net OPEB obligation at September 30, 2013 has been reflected on the Statement of Net Position. The plan is not pre-funded and is therefore supported on a pay-as-you-go basis.

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Funded Status:

For the year ended September 30, 2013, the Town's annual post-employment benefit (OPEB) costs were as follows:

| | |
|--|--------------|
| Annual required contribution | \$ 35,975 |
| Interest on net OPEB obligation | 312 |
| Adjustment to annual required contribution | (429) |
| Annual OPEB cost | 35,858 |
| Contributions made | (34,976) |
| Increase in net OPEB obligation | 882 |
| Net OPEB obligation, beginning of year | 6,925 |
| Net OPEB obligation, end of year | \$ 7,807 |

Trend Information

| Fiscal Year Ended | Annual OPEB Cost | Actual Contribution | Percentage of OPEB Cost Contributed | Net OPEB Obligation |
|-------------------------|------------------------|------------------------|---|------------------------|
| 09/30/13 | \$ 35,858 | \$ 34,976 | 98% | \$ 7,807 |
| 09/30/12 | \$ 36,877 | \$ 34,670 | 94% | \$ 6,925 |
| 09/30/11 | \$ 117,454 | \$ 115,966 | 99% | \$ 4,718 |

Funded Status

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (b) - (a) | Funded Ratio (a) / (b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll (b-a) / (c) |
|--------------------------------|--|---|------------------------------|------------------------------|---------------------------|--|
| 10/01/12 | \$ - | \$ 19,091 | \$ 19,091 | 0.0% | \$ 2,089,086 | 0.9% |

The schedule of funding progress presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of assets is increasing or decreasing over time relative to the UAAL for benefits.

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Risk Management:

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters. In order to limit its exposure to these risks, the Town is a participant in the Florida League of Cities (a not-for-profit corporation) self-insurance program for workers' compensation, general and auto liability, and property insurance. This self-insurance program purchases excess and specific coverage from third party insurance carriers. Participants in the program are billed annually for their portion of the cost of the program adjusted for actual experience during the period of coverage. Participants are not assessed for unanticipated losses incurred by the program.

Grant Contingency:

The Town receives financial assistance from federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Florida Single Audit Act, the Town is required to conduct "single audits" when the required thresholds of \$ 500,000 in grant expenditures from either source is exceeded. For the year ended September 30, 2013, neither a Federal audit in accordance with OMB Circular A-133, *Audits of States Local Governments, and Non-Profit Organizations* or a state single audit was required.

Significant Agreements:

The Town previously entered into an agreement with the Broward Sheriff's Office to provide professional police services through September 2014. After its initial term, the agreement may be renewed for an additional three years, and then for an additional five years upon mutual agreement of the parties. The agreement may be terminated upon default if one of the parties gives the other party thirty days written notice. For the fiscal year ending September 30, 2014, the total amount due under the agreement will be approximately \$ 2,655,000 in monthly installments. The amount due for subsequent years will be determined based on the Sheriff's budgeted costs. The maximum increase in the fee each year will be five percent for operating costs and nine percent for costs relating to health insurance premiums. There is no limitation on the cost increase related to workers' compensation premiums and pension contributions. The Town paid approximately \$ 2,541,000 for police services for the year ended September 30, 2013.

The Town previously entered into an agreement with Broward Sheriff's Office to provide emergency medical and fire protection services through September 30, 2014. The renewal and termination terms are the same as noted for the police services agreement. For the fiscal year ending September 30, 2014, the total amount due under the agreement is approximately \$ 2,806,000 in monthly installments. For subsequent fiscal years, the amount owed will be based on the Sheriff's budgeted costs, subject to the restrictions noted under the police services agreement. The amount paid for emergency medical and fire protection services for the year ending September 30, 2013 was \$ 2,776,000.

The Town has an agreement with the City of Hollywood for sewage disposal. The monthly charges for the disposal service are included in the operating expenses of the Sewer Utility Fund.

TOWN OF PEMBROKE PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE 9 – COMMITMENTS AND CONTINGENCIES (continued)

Litigation:

The Town is involved in two ongoing litigation matters. The ultimate outcome of these matters, in the opinion of the Town Attorney, will not have a material effect on the Town's financial condition.

Post-retirement benefits:

The Town has authorized post-retirement benefits as noted in the Town Commissioner Pension Plan (Note 7). The Town has purchased life insurance policies on four of its Commissioners to fund future payments of death benefits. The policies have death benefits ranging from \$ 100,000 to \$ 300,000. In addition, the policies require annual premiums ranging from approximately \$ 900 to \$ 15,400, with future premium outlays to be approximately \$ 30,500 through fiscal year 2017 and \$ 17,200 thereafter until fiscal year 2020.

REQUIRED SUPPLEMENTARY
INFORMATION

TOWN OF PEMBROKE PARK, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 PENSION PLAN FOR TOWN COMMISSIONERS
 SCHEDULE OF FUNDING PROGRESS

| Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability | Funded Ratio | Annual Covered Payroll | Unfunded Actuarial Accrued Liability as % of Payroll |
|-------------------|---------------------------------|-----------------------------------|---|-----------------|------------------------------|---|
| 10/01/09 | \$ 726,421 | \$ 1,136,071 | \$ 409,650 | 64% | \$ 51,912 | 789% |
| 10/01/11 | \$ 808,880 | \$ 1,620,939 | \$ 812,059 | 50% | \$ 25,956 | 3129% |
| 10/01/12 | \$ 1,079,901 | \$ 1,635,968 | \$ 556,067 | 66% | \$ 25,956 | 2142% |

Note: The first valuation of the Town Commissioner Pension Plan was performed as of October 1, 2009.

TOWN OF PEMBROKE PARK, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER
 For the Last Five Years

| <u>Fiscal Year Ended</u> | <u>Annual Pension Cost (APC)</u> | <u>Actual Contribution</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation (Asset)</u> |
|----------------------------------|--|--------------------------------|--|---|
| 09/30/09 | \$ 151,136 | \$ 700,000 | 463% | \$ (547,864) |
| 09/30/10 | \$ 137,124 | \$ 94,591 | 69% | \$ (505,331) |
| 09/30/11 | \$ 183,994 | \$ 141,245 | 77% | \$ (462,582) |
| 09/30/12 | \$ 159,138 | \$ 82,875 | 52% | \$ (386,319) |
| 09/30/13 | \$ 129,235 | \$ 108,102 | 84% | \$ (365,186) |

Note: The first valuation of the Town Commissioner Pension Plan was performed as of October 1, 2009.

TOWN OF PEMBROKE PARK, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POST-EMPLOYMENT BENEFITS PLAN
 SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 10/01/09 | \$ - | \$ 24,379 | \$ 24,379 | 0% | \$ 1,890,319 | 1.3% |
| 10/01/10 | \$ - | \$ 19,350 | \$ 19,350 | 0% | \$ 2,092,611 | 0.9% |
| 10/01/11 | \$ - | \$ 23,094 | \$ 23,094 | 0% | \$ 2,328,002 | 1.0% |
| 10/01/12 | \$ - | \$ 19,091 | \$ 19,091 | 0% | \$ 2,089,086 | 0.9% |

Note: The first valuation of the Other Post-Employment Benefits Plan was performed as of October 1, 2009.

STATISTICAL SECTION
(NOT COVERED BY INDEPENDENT
AUDITOR'S REPORT)

TOWN OF PEMBROKE PARK, FLORIDA
STATISTICAL SECTION
For the Year Ended September 30, 2013

This part of the Town of Pembroke Park’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town’s overall financial health.

| <u>CONTENTS</u> | <u>PAGE</u> |
|--|-------------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time. | 52-59 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the Town’s most significant local revenue source, the property tax. | 60-63 |
| Debt Capacity | |
| These schedules contain information to help the reader assess the affordability of the Town’s current levels of outstanding debt and the Town’s ability to issue additional debt in the future. | 64-69 |
| Demographic and Economic Information | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place. | 70-71 |
| Operating Information | |
| These schedules contain service and infrastructure data to help the reader understand how the information in the Town’s financial report relates to the services the Town provides and the activities it performs. | 72-74 |
| Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. | |

TOWN OF PEMBROKE PARK, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Year | | | | | | | | | |
|---|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 3,767,675 | \$ 3,532,665 | \$ 3,632,235 | \$ 4,052,657 | \$ 4,059,901 | \$ 4,157,471 | \$ 3,985,707 | \$ 4,025,566 | \$ 4,001,459 | \$ 4,140,660 |
| Restricted | - | - | - | - | - | 20,168 | 47,857 | 117,330 | 196,653 | 199,604 |
| Unrestricted | 1,025,487 | 2,878,003 | 4,196,703 | 4,452,579 | 4,694,845 | 5,163,827 | 5,434,912 | 4,903,813 | 4,304,480 | 4,496,818 |
| Total governmental activities net position | 4,793,162 | 6,410,668 | 7,828,938 | 8,505,236 | 8,754,746 | 9,341,466 | 9,468,476 | 9,046,709 | 8,502,592 | 8,837,082 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | 2,484,752 | 2,607,985 | 2,528,654 | 3,454,856 | 4,894,210 | 5,609,158 | 5,547,785 | 5,311,092 | 5,219,430 | 4,966,605 |
| Restricted | - | - | - | - | - | 79,744 | 34,335 | 68,240 | 60,152 | 72,992 |
| Unrestricted | 1,260,916 | 1,932,287 | 2,297,580 | 2,855,971 | 2,769,826 | 3,705,161 | 4,182,051 | 4,409,091 | 4,270,241 | 5,060,653 |
| Total business-type activities net position | 3,745,668 | 4,540,272 | 4,826,234 | 6,310,827 | 7,664,036 | 9,394,063 | 9,764,171 | 9,788,423 | 9,549,823 | 10,100,250 |
| Primary government: | | | | | | | | | | |
| Net investment in capital assets | 6,252,427 | 6,140,650 | 6,160,889 | 7,507,513 | 8,954,111 | 9,766,629 | 9,533,492 | 9,336,658 | 9,220,889 | 9,107,265 |
| Restricted | - | - | - | - | - | 99,912 | 82,192 | 185,570 | 256,805 | 272,596 |
| Unrestricted | 2,286,403 | 4,810,290 | 6,494,283 | 7,308,550 | 7,464,671 | 8,868,988 | 9,616,963 | 9,312,904 | 8,574,721 | 9,557,471 |
| Total primary government net position | \$ 8,538,830 | \$ 10,950,940 | \$ 12,655,172 | \$ 14,816,063 | \$ 16,418,782 | \$ 18,735,529 | \$ 19,232,647 | \$ 18,835,132 | \$ 18,052,415 | \$ 18,937,332 |

TOWN OF PEMBROKE PARK, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Year | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 |
| EXPENSES: | | | | |
| Governmental activities: | | | | |
| General government | \$ 1,736,894 | \$ 1,779,414 | \$ 1,940,380 | \$ 2,158,233 |
| Public safety | 3,403,651 | 3,585,398 | 3,837,385 | 4,310,188 |
| Physical environment | 230,321 | 255,626 | 278,927 | 291,277 |
| Public works | 235,737 | 287,597 | 513,238 | 371,260 |
| Culture and recreation | 276,297 | 312,070 | 405,047 | 462,680 |
| Interest expense | 28,324 | 28,304 | 1,773 | 1,243 |
| Total governmental activities expenses | <u>5,911,224</u> | <u>6,248,409</u> | <u>6,976,750</u> | <u>7,594,881</u> |
| Business-type activities: | | | | |
| Sewer Utility | 1,178,251 | 1,207,253 | 1,594,594 | 1,506,706 |
| Stormwater drainage district | 414,446 | 591,157 | 631,987 | 639,949 |
| Total business-type activities expenses | <u>1,592,697</u> | <u>1,798,410</u> | <u>2,226,581</u> | <u>2,146,655</u> |
| Total primary government expenses | <u>7,503,921</u> | <u>8,046,819</u> | <u>9,203,331</u> | <u>9,741,536</u> |
| PROGRAM REVENUES: | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General government | 394,534 | 328,928 | 298,629 | 297,345 |
| Public safety | 469,083 | 593,897 | 733,875 | 606,453 |
| Culture and recreation | - | - | - | - |
| Operating grants and contributions | 22,858 | 30,961 | 346,351 | 12,937 |
| Capital grants and contributions | 1,297,527 | 111,786 | 143,645 | 199,598 |
| Total governmental activities program revenues | <u>2,184,002</u> | <u>1,065,572</u> | <u>1,522,500</u> | <u>1,116,333</u> |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Sewer utility | 1,340,889 | 1,851,289 | 1,597,560 | 1,564,502 |
| Stormwater drainage district | 516,931 | 710,764 | 727,196 | 680,217 |
| Operating grants and contributions | 225,902 | 30,961 | 98,901 | 7,001 |
| Capital grants and contributions | - | - | 27,498 | 1,094,402 |
| Total business-type activities program revenues | <u>2,083,722</u> | <u>2,593,014</u> | <u>2,451,155</u> | <u>3,346,122</u> |
| Total primary government program revenues | <u>\$ 4,267,724</u> | <u>\$ 3,658,586</u> | <u>\$ 3,973,655</u> | <u>\$ 4,462,455</u> |

Table 2

| | | Fiscal Year | | | | | | | | | |
|----|-------------------------|-------------|-------------------------|------|-------------------------|------|-------------------------|----|-------------------------|----|-------------------------|
| | | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | | | | |
| \$ | 1,911,705 | \$ | 1,919,674 | \$ | 2,302,705 | \$ | 2,366,244 | \$ | 2,287,814 | \$ | 2,220,061 |
| | 5,418,223 | | 5,503,809 | | 5,437,356 | | 6,000,840 | | 5,856,614 | | 5,898,517 |
| | 216,914 | | 234,134 | | 260,207 | | 230,590 | | 241,329 | | 251,169 |
| | 933,296 | | 351,113 | | 495,677 | | 286,097 | | 267,805 | | 341,949 |
| | 480,155 | | 460,897 | | 320,812 | | 490,310 | | 484,853 | | 526,750 |
| | 863 | | 10,745 | | 6,041 | | 4,715 | | 3,180 | | 1,175 |
| | <u>8,961,156</u> | | <u>8,480,372</u> | | <u>8,822,798</u> | | <u>9,378,796</u> | | <u>9,141,595</u> | | <u>9,239,621</u> |
| | 1,590,674 | | 1,507,906 | | 1,991,890 | | 2,047,307 | | 2,135,075 | | 2,217,437 |
| | 646,261 | | 837,919 | | 943,234 | | 908,166 | | 1,013,527 | | 888,267 |
| | <u>2,236,935</u> | | <u>2,345,825</u> | | <u>2,935,124</u> | | <u>2,955,473</u> | | <u>3,148,602</u> | | <u>3,105,704</u> |
| | <u>11,198,091</u> | | <u>10,826,197</u> | | <u>11,757,922</u> | | <u>12,334,269</u> | | <u>12,290,197</u> | | <u>12,345,325</u> |
| | 176,180 | | 124,028 | | 128,147 | | 139,359 | | 140,424 | | 142,622 |
| | 1,259,698 | | 666,195 | | 707,008 | | 881,442 | | 811,552 | | 1,233,541 |
| | 1,050 | | 2,575 | | 4,025 | | 4,700 | | 3,100 | | 3,700 |
| | - | | - | | - | | - | | - | | - |
| | <u>278,972</u> | | <u>323,329</u> | | <u>152,465</u> | | <u>274,985</u> | | <u>64,204</u> | | <u>100,684</u> |
| | <u>1,715,900</u> | | <u>1,116,127</u> | | <u>991,645</u> | | <u>1,300,486</u> | | <u>1,019,280</u> | | <u>1,480,547</u> |
| | 1,788,616 | | 1,764,945 | | 1,917,592 | | 1,997,494 | | 1,894,194 | | 2,429,211 |
| | 678,435 | | 796,844 | | 907,183 | | 903,010 | | 901,771 | | 1,027,237 |
| | - | | - | | - | | - | | - | | - |
| | <u>1,069,184</u> | | <u>1,286,494</u> | | <u>371,270</u> | | <u>21,967</u> | | <u>61,089</u> | | <u>199,607</u> |
| | <u>3,536,235</u> | | <u>3,848,283</u> | | <u>3,196,045</u> | | <u>2,922,471</u> | | <u>2,857,054</u> | | <u>3,656,055</u> |
| \$ | <u><u>5,252,135</u></u> | \$ | <u><u>4,964,410</u></u> | \$ | <u><u>4,187,690</u></u> | \$ | <u><u>4,222,957</u></u> | \$ | <u><u>3,876,334</u></u> | \$ | <u><u>5,136,602</u></u> |

TOWN OF PEMBROKE PARK, FLORIDA
 CHANGES IN NET POSITION
 LAST NINE FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (continued)

| | Fiscal Year | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 |
| Net expense/revenue: | | | | |
| Governmental activities | \$ (3,727,222) | \$ (5,182,837) | \$ (5,454,250) | \$ (6,478,548) |
| Business-type activities | 491,025 | 794,604 | 224,574 | 1,199,467 |
| Total primary government net expense | <u>(3,236,197)</u> | <u>(4,388,233)</u> | <u>(5,229,676)</u> | <u>(5,279,081)</u> |
| General revenues and other changes in net assets | | | | |
| Governmental activities: | | | | |
| Taxes: | | | | |
| Ad valorem taxes | 2,910,642 | 3,093,437 | 3,547,034 | 3,963,944 |
| Local option gas tax | 126,490 | 125,676 | 108,264 | 106,452 |
| Franchise taxes | 627,636 | 609,201 | 724,241 | 880,769 |
| Utility service taxes | 552,277 | 594,458 | 608,175 | 649,234 |
| Unrestricted intergovernmental revenues | 854,191 | 957,246 | 897,821 | 847,908 |
| Interest income | 39,302 | 120,644 | 292,953 | 138,483 |
| Miscellaneous | 460,211 | 440,887 | 694,032 | 568,056 |
| Gain on disposition of capital assets | - | 858,794 | - | - |
| Total governmental activities | <u>5,570,749</u> | <u>6,800,343</u> | <u>6,872,520</u> | <u>7,154,846</u> |
| Business-type activities | - | - | - | 285,126 |
| Total primary government business-type activities | <u>5,570,749</u> | <u>6,800,343</u> | <u>6,872,520</u> | <u>7,439,972</u> |
| Changes in net assets: | | | | |
| Governmental activities | 1,843,527 | 1,617,506 | 1,418,270 | 676,298 |
| Business-type activities | 491,025 | 794,604 | 224,574 | 1,484,593 |
| Total primary government changes in net position | <u>\$ 2,334,552</u> | <u>\$ 2,412,110</u> | <u>\$ 1,642,844</u> | <u>\$ 2,160,891</u> |

Table 2

| Fiscal Year | | | | | |
|---------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| \$ (7,245,256) | \$ (7,364,245) | \$ (7,831,153) | \$ (8,078,310) | \$ (8,122,315) | \$ (7,759,074) |
| <u>1,299,300</u> | <u>1,502,458</u> | <u>260,921</u> | <u>(33,002)</u> | <u>(291,548)</u> | <u>550,351</u> |
| <u>(5,945,956)</u> | <u>(5,861,787)</u> | <u>(7,570,232)</u> | <u>(8,111,312)</u> | <u>(8,413,863)</u> | <u>(7,208,723)</u> |
| 4,426,894 | 4,767,861 | 4,801,275 | 4,551,336 | 4,436,814 | 4,361,937 |
| 103,991 | 102,574 | 106,944 | 107,150 | 104,848 | 104,395 |
| 896,580 | 917,492 | 873,709 | 853,296 | 815,829 | 821,477 |
| 725,201 | 770,019 | 787,702 | 823,919 | 878,036 | 895,817 |
| 822,431 | 818,864 | 804,279 | 848,501 | 845,425 | 777,792 |
| 55,467 | 173,653 | 142,157 | 69,265 | 66,944 | 50,652 |
| 460,333 | 400,502 | 442,097 | 403,076 | 428,501 | 1,081,494 |
| 3,869 | - | - | - | 1,801 | - |
| <u>7,494,766</u> | <u>7,950,965</u> | <u>7,958,163</u> | <u>7,656,543</u> | <u>7,578,198</u> | <u>8,093,564</u> |
| <u>53,909</u> | <u>227,569</u> | <u>109,187</u> | <u>57,254</u> | <u>52,948</u> | <u>76</u> |
| <u>7,548,675</u> | <u>8,178,534</u> | <u>8,067,350</u> | <u>7,713,797</u> | <u>7,631,146</u> | <u>8,093,640</u> |
| 249,510 | 586,720 | 127,010 | (421,767) | (544,117) | 334,490 |
| <u>1,353,209</u> | <u>1,730,027</u> | <u>370,108</u> | <u>24,252</u> | <u>(238,600)</u> | <u>550,427</u> |
| \$ <u>1,602,719</u> | \$ <u>2,316,747</u> | \$ <u>497,118</u> | \$ <u>(397,515)</u> | \$ <u>(782,717)</u> | \$ <u>884,917</u> |

Table 3

TOWN OF PEMBROKE PARK, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Year | | | | | | | | | |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Fund: | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 44,406 | \$ - | \$ 6,445 | \$ 53,444 | \$ 54,441 |
| Restricted | - | - | - | - | - | 20,168 | 47,857 | 117,330 | 196,653 | 199,604 |
| Committed | - | - | - | - | - | 109,479 | 208,960 | 266,105 | 303,265 | 343,411 |
| Assigned | - | - | - | - | - | 394,143 | 622,002 | 489,496 | 654,519 | 563,519 |
| Unassigned | <u>1,389,867</u> | <u>3,285,282</u> | <u>4,696,224</u> | <u>5,007,674</u> | <u>5,078,448</u> | <u>4,247,953</u> | <u>4,310,078</u> | <u>3,906,793</u> | <u>3,155,532</u> | <u>3,421,428</u> |
| Total General Fund | <u>\$ 1,389,867</u> | <u>\$ 3,285,282</u> | <u>\$ 4,696,224</u> | <u>\$ 5,007,674</u> | <u>\$ 5,078,448</u> | <u>\$ 4,816,149</u> | <u>\$ 5,188,897</u> | <u>\$ 4,786,169</u> | <u>\$ 4,363,413</u> | <u>\$ 4,582,403</u> |
| Other governmental fund: | | | | | | | | | | |
| Unassigned | <u>\$ 4,855</u> | <u>\$ (31,957)</u> | <u>\$ (24,083)</u> | <u>\$ -</u> |
| Total governmental funds | <u>\$ 1,394,722</u> | <u>\$ 3,253,325</u> | <u>\$ 4,672,141</u> | <u>\$ 5,007,674</u> | <u>\$ 5,078,448</u> | <u>\$ 4,816,149</u> | <u>\$ 5,188,897</u> | <u>\$ 4,786,169</u> | <u>\$ 4,363,413</u> | <u>\$ 4,582,403</u> |

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Fiscal years 2004-2010 have been restated to conform to the new statement requirements.

TOWN OF PEMBROKE PARK, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Year | | | |
|---|-------------------|---------------------|---------------------|-------------------|
| | 2004 | 2005 | 2006 | 2007 |
| REVENUES: | | | | |
| Ad valorem taxes | \$ 2,910,642 | \$ 3,093,437 | \$ 3,547,034 | \$ 3,963,944 |
| Franchise taxes | 627,636 | 609,201 | 724,241 | 823,386 |
| Utility service taxes | 552,277 | 594,458 | 608,175 | 649,234 |
| Licenses and permits | 506,877 | 621,092 | 746,559 | 645,947 |
| Intergovernmental revenues | 870,600 | 957,246 | 897,821 | 847,908 |
| Charges for services | 31,798 | 66,111 | 279,839 | 181,980 |
| Fines and forfeitures | 134,766 | 98,419 | 78,543 | 67,868 |
| Miscellaneous revenues | 459,430 | 400,119 | 447,303 | 429,260 |
| Interest income | 39,302 | 120,644 | 292,953 | 138,483 |
| Local option gas tax | 126,490 | 125,676 | 108,264 | 106,452 |
| Grant revenues | 281,415 | 142,747 | 489,996 | 212,535 |
| Special assessments | 9,560 | 12,637 | 5,502 | - |
| Rental income | 164,988 | 165,334 | 153,790 | 155,799 |
| Contribution of land | 1,038,970 | - | - | - |
| | <u>7,754,751</u> | <u>7,007,121</u> | <u>8,380,020</u> | <u>8,222,796</u> |
| Total revenues | | | | |
| EXPENDITURES: | | | | |
| General government | 1,596,322 | 1,628,686 | 1,730,995 | 1,973,732 |
| Public safety | 3,399,925 | 3,581,189 | 3,830,437 | 4,299,558 |
| Physical environment | 224,927 | 250,152 | 272,673 | 285,816 |
| Public works | 214,742 | 255,970 | 465,416 | 318,290 |
| Culture and recreation | 227,237 | 251,581 | 334,947 | 379,874 |
| Capital outlay | 1,700,222 | 228,555 | 310,721 | 612,644 |
| Debt service: | | | | |
| Principal | 155,649 | 598,829 | 14,212 | 16,022 |
| Interest | 23,618 | 32,896 | 1,803 | 1,327 |
| | <u>7,542,642</u> | <u>6,827,858</u> | <u>6,961,204</u> | <u>7,887,263</u> |
| Total expenditures | | | | |
| Excess of revenues over (under) expenditures | <u>212,109</u> | <u>179,263</u> | <u>1,418,816</u> | <u>335,533</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Capital lease proceeds | - | - | - | - |
| Proceeds from sale of capital assets | 238,422 | 1,679,340 | - | - |
| Transfers in | 71,665 | - | - | 24,083 |
| Transfers out | (238,422) | - | - | (24,083) |
| | <u>71,665</u> | <u>1,679,340</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | | | | |
| Net change in fund balances | <u>\$ 283,774</u> | <u>\$ 1,858,603</u> | <u>\$ 1,418,816</u> | <u>\$ 335,533</u> |
| Debt service as a percentage of non-capital expenditures | 3.17% | 10.59% | 0.24% | 0.24% |

Table 4

| | | Fiscal Year | | | | | | | | | |
|----|----------------------|-------------|-------------------------|------|-----------------------|------|-------------------------|----|-------------------------|----|-----------------------|
| | | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | | | | |
| \$ | 4,426,894 | \$ | 4,767,861 | \$ | 4,801,275 | \$ | 4,551,336 | \$ | 4,436,814 | \$ | 4,361,937 |
| | 959,963 | | 917,492 | | 873,709 | | 853,296 | | 815,829 | | 821,477 |
| | 725,201 | | 770,019 | | 787,702 | | 823,919 | | 878,036 | | 895,817 |
| | 1,105,716 | | 517,889 | | 556,853 | | 687,655 | | 641,870 | | 965,325 |
| | 822,431 | | 818,864 | | 804,279 | | 779,029 | | 766,084 | | 755,640 |
| | 134,732 | | 220,634 | | 224,840 | | 279,387 | | 287,850 | | 365,604 |
| | 158,113 | | 51,700 | | 53,462 | | 127,931 | | 106,263 | | 75,025 |
| | 447,219 | | 400,502 | | 442,097 | | 403,076 | | 426,935 | | 1,077,555 |
| | 55,467 | | 173,653 | | 142,157 | | 69,265 | | 66,944 | | 50,652 |
| | 103,991 | | 102,574 | | 106,944 | | 107,150 | | 104,848 | | 104,395 |
| | 92,876 | | 135,676 | | 14,546 | | 152,426 | | 64,204 | | 100,684 |
| | 262,419 | | 187,654 | | 137,920 | | 122,559 | | - | | - |
| | 51,482 | | 2,575 | | 4,025 | | - | | - | | - |
| | - | | - | | - | | - | | - | | - |
| | <u>9,346,504</u> | | <u>9,067,093</u> | | <u>8,949,809</u> | | <u>8,957,029</u> | | <u>8,595,677</u> | | <u>9,574,111</u> |
| | 2,106,129 | | 2,689,641 | | 2,159,632 | | 2,248,730 | | 2,154,195 | | 2,152,564 |
| | 5,399,877 | | 5,492,783 | | 5,430,243 | | 5,995,029 | | 5,850,239 | | 5,893,798 |
| | 209,633 | | 224,466 | | 254,840 | | 225,436 | | 232,278 | | 246,506 |
| | 332,804 | | 292,875 | | 268,384 | | 244,357 | | 227,610 | | 297,520 |
| | 362,027 | | 359,137 | | 389,530 | | 390,601 | | 374,191 | | 405,727 |
| | 850,311 | | 344,421 | | 50,011 | | 231,176 | | 157,322 | | 341,784 |
| | 14,085 | | 17,945 | | 18,380 | | 19,713 | | 31,370 | | 16,047 |
| | 863 | | 10,745 | | 6,041 | | 4,715 | | 3,180 | | 1,175 |
| | <u>9,275,729</u> | | <u>9,432,013</u> | | <u>8,577,061</u> | | <u>9,359,757</u> | | <u>9,030,385</u> | | <u>9,355,121</u> |
| | <u>70,775</u> | | <u>(364,920)</u> | | <u>372,748</u> | | <u>(402,728)</u> | | <u>(434,708)</u> | | <u>218,990</u> |
| | - | | 102,621 | | - | | - | | - | | - |
| | - | | - | | - | | - | | 11,952 | | - |
| | - | | - | | - | | - | | - | | - |
| | - | | - | | - | | - | | - | | - |
| | <u>-</u> | | <u>102,621</u> | | <u>-</u> | | <u>-</u> | | <u>11,952</u> | | <u>-</u> |
| \$ | <u><u>70,775</u></u> | \$ | <u><u>(262,299)</u></u> | \$ | <u><u>372,748</u></u> | \$ | <u><u>(402,728)</u></u> | \$ | <u><u>(422,756)</u></u> | \$ | <u><u>218,990</u></u> |
| | 0.18% | | 0.32% | | 0.29% | | 0.27% | | 0.39% | | 0.19% |

Table 5

TOWN OF PEMBROKE PARK, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

| Fiscal Year | Residential | | | | Commercial | | Industrial | | Other | | Less: Tax Exemptions | | Total Taxable Assessed Value | | City Direct Tax Rate | | Estimated Actual Taxable Value | | Total Assessed Value as a Percentage of Taxable Value | |
|-------------|-------------|-------------|----|-------------|------------|-------------|------------|------------|-------|------------|----------------------|-------------|------------------------------|--------|----------------------|-------------|--------------------------------|--------|---|--|
| | | | | | | | | | | | | | | | | | | | | |
| 2004 | \$ | 125,573,400 | \$ | 32,938,200 | \$ | 136,354,520 | \$ | 21,499,510 | \$ | 25,230,080 | \$ | 291,135,550 | \$ | 8.5000 | \$ | 318,441,690 | | 91.43% | | |
| 2005 | | 130,990,500 | | 37,839,370 | | 161,050,550 | | 22,967,370 | | 28,178,910 | | 324,668,880 | | 8.5000 | | 355,909,420 | | 91.22% | | |
| 2006 | | 144,901,590 | | 43,529,160 | | 176,343,980 | | 25,301,970 | | 30,876,710 | | 359,199,990 | | 8.5000 | | 395,955,110 | | 90.72% | | |
| 2007 | | 168,176,080 | | 55,511,610 | | 195,738,750 | | 27,605,210 | | 32,634,000 | | 414,397,650 | | 8.5000 | | 455,676,830 | | 90.94% | | |
| 2008 | | 207,011,660 | | 68,291,280 | | 218,715,840 | | 46,184,140 | | 39,316,850 | | 500,886,070 | | 8.5000 | | 546,535,298 | | 91.65% | | |
| 2009 | | 212,333,850 | | 80,620,310 | | 232,446,030 | | 51,159,930 | | 15,761,710 | | 560,798,410 | | 8.5000 | | 576,104,508 | | 97.34% | | |
| 2010 | | 168,830,340 | | 117,411,800 | | 273,019,070 | | 46,337,110 | | 13,859,120 | | 591,739,200 | | 8.5000 | | 600,799,300 | | 98.49% | | |
| 2011 | | 157,354,010 | | 109,149,830 | | 216,062,380 | | 48,013,280 | | 12,404,240 | | 518,175,260 | | 8.5000 | | 575,469,839 | | 90.04% | | |
| 2012 | | 157,484,900 | | 103,267,820 | | 214,929,780 | | 55,831,340 | | 11,205,410 | | 520,308,430 | | 8.5000 | | 547,709,705 | | 95.00% | | |
| 2013 | | 162,045,420 | | 103,804,360 | | 212,626,230 | | 56,816,230 | | 10,509,370 | | 524,782,870 | | 8.5000 | | 536,617,905 | | 97.79% | | |

Source: Broward County, Florida, Property Appraiser

TOWN OF PEMBROKE PARK, FLORIDA
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS

| Fiscal Year | Tax Year | Town Direct Rate | Overlapping Rates | | | | | | | | Total |
|-------------|----------|------------------|-------------------|-------------------------|--|---|----------------------------------|---------------------------------|--------|--------|---------|
| | | | Broward County | Broward School District | Children's Service Council of Broward County | South Florida Water Management District | South Inland Navigation District | South Broward Hospital District | | | |
| 2004 | 2003 | 8.5000 | 7.1880 | 8.4176 | 0.3920 | 0.6970 | 0.0385 | 1.7367 | 0.0385 | 1.7367 | 26.9698 |
| 2005 | 2004 | 8.5000 | 7.0230 | 8.2695 | 0.4231 | 0.6970 | 0.0385 | 1.5761 | 0.0385 | 1.5761 | 26.5272 |
| 2006 | 2005 | 8.5000 | 6.7830 | 8.0623 | 0.4231 | 0.6970 | 0.0385 | 1.4500 | 0.0385 | 1.4500 | 25.9539 |
| 2007 | 2006 | 8.5000 | 6.0661 | 7.8687 | 0.4073 | 0.6970 | 0.0385 | 1.3300 | 0.0385 | 1.3300 | 24.9076 |
| 2008 | 2007 | 8.5000 | 5.2868 | 7.6484 | 0.3572 | 0.6240 | 0.0345 | 1.1643 | 0.0345 | 1.1643 | 23.6152 |
| 2009 | 2008 | 8.5000 | 5.3145 | 7.4170 | 0.3754 | 0.6240 | 0.0345 | 1.1913 | 0.0345 | 1.1913 | 23.4567 |
| 2010 | 2009 | 8.5000 | 5.3889 | 7.4310 | 0.4243 | 0.6240 | 0.0345 | 1.2732 | 0.0345 | 1.2732 | 23.6759 |
| 2011 | 2010 | 8.5000 | 5.5530 | 7.4180 | 0.4789 | 0.4363 | 0.0345 | 0.7500 | 0.0345 | 0.7500 | 23.1707 |
| 2012 | 2011 | 8.5000 | 5.5530 | 7.4560 | 0.4902 | 0.4289 | 0.0345 | 0.6000 | 0.0345 | 0.6000 | 23.0626 |
| 2013 | 2012 | 8.5000 | 5.7230 | 7.4800 | 0.4882 | 0.4110 | 0.0345 | 0.4000 | 0.0345 | 0.4000 | 23.0367 |

Source: Broward County, Florida, Property Appraiser

**TOWN OF PEMBROKE PARK, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

Table 7

| Taxpayer | 2013 | | | 2003 | | |
|--------------------------------|------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total Town Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Town Taxable Assessed Value |
| Seneca Industrial Holdings LLC | \$ 46,221,470 | 1 | 8.81% | \$ - | | |
| Florida Coca-Cola Bottling Co. | 28,084,860 | 2 | 5.35% | 16,528,190 | 3 | 5.29% |
| Coca Cola Refreshments | 20,085,368 | 3 | 3.83% | 21,320,121 | 1 | 6.82% |
| KTR Seneca I LLC | 17,634,620 | 4 | 3.36% | - | | |
| KTR Seneca II LLC | 15,914,900 | 5 | 3.03% | - | | |
| WPLG/TV 10 | 13,466,910 | 6 | 2.57% | - | | |
| Post Newsweek Stations Fla Inc | 12,750,340 | 7 | 2.43% | - | | |
| Pembroke Commerce | 11,341,450 | 8 | 2.16% | 3,503,250 | 10 | 1.12% |
| Carolina 31st Corp | 8,649,640 | 9 | 1.65% | 6,550,890 | 8 | 2.10% |
| Pembroke Gardens | 7,178,108 | 10 | 1.37% | - | | |
| Total | \$ 181,327,666 | | 25.75% | \$ 47,902,451 | | 15.33% |

Source: Broward County, Florida, Department of Revenue Collections

Table 8

**TOWN OF PEMBROKE PARK, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

| Fiscal Year | Property Tax Levy | Property Tax Discount | Net Tax Levy | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|-------------|-------------------|-----------------------|--------------|--|--------------------|---------------------------------|---------------------------|--------------------|
| | | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2004 | \$ 3,010,887 | \$ 104,333 | \$ 2,906,554 | \$ 2,619,126 | 90.11% | \$ 270,530 | \$ 2,889,656 | 99.42% |
| 2005 | 3,242,811 | 113,605 | 3,129,206 | 3,093,437 | 98.86% | 32,386 | 3,125,823 | 99.89% |
| 2006 | 3,654,847 | 127,847 | 3,527,000 | 3,491,874 | 99.00% | 19,108 | 3,510,982 | 99.55% |
| 2007 | 4,090,171 | 146,970 | 3,943,201 | 3,918,751 | 99.38% | 3,616 | 3,922,367 | 99.47% |
| 2008 | 4,623,870 | 156,628 | 4,467,242 | 4,408,076 | 98.68% | 43,886 | 4,451,962 | 99.66% |
| 2009 | 4,884,665 | 167,992 | 4,716,673 | 4,632,303 | 98.21% | 74,314 | 4,706,617 | 99.79% |
| 2010 | 5,134,398 | 179,272 | 4,955,126 | 4,783,405 | 96.53% | - | 4,783,405 | 96.53% |
| 2011 | 4,900,088 | 169,821 | 4,730,267 | 4,359,562 | 92.16% | - | 4,359,562 | 92.16% |
| 2012 | 4,663,597 | 169,382 | 4,494,215 | 4,450,447 | 99.03% | - | 4,450,447 | 99.03% |
| 2013 | 4,619,314 | 165,338 | 4,453,976 | 4,399,538 | 98.78% | - | 4,399,538 | 98.78% |

Source: Broward County, Florida, Department of Revenue Collections

Note: Penalty charges and interest are not included in total collections.

Table 9

TOWN OF PEMBROKE PARK, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|-------------------------|-------------------------|----------------|--------------------------|---------------------|------|--------------------------|-----------------------------------|----------------|
| | Property Loan | Special Assessment Note | Capital Leases | Stormwater Revenue Bonds | Sewer Revenue Bonds | | | | |
| 2004 | \$ 535,148 | \$ 50,000 | \$ 67,221 | \$ 4,779,506 | \$ - | \$ - | 5,431,875 | 3.82% | 961 |
| 2005 | - | - | 53,540 | 4,499,160 | - | - | 4,552,700 | 3.20% | 841 |
| 2006 | - | - | 39,328 | 4,206,258 | - | - | 4,245,586 | 2.69% | 740 |
| 2007 | - | - | 23,306 | 3,926,445 | - | - | 3,949,751 | 2.46% | 694 |
| 2008 | - | - | 7,919 | 3,584,286 | 871,594 | - | 4,463,799 | 2.66% | 777 |
| 2009 | - | - | 93,896 | 3,253,793 | 2,360,000 | - | 5,707,689 | 3.49% | 994 |
| 2010 | - | - | 75,517 | 2,939,559 | 2,360,000 | - | 5,375,076 | 5.60% | 879 |
| 2011 | - | - | 55,804 | 2,551,798 | 2,332,833 | - | 4,940,435 | 5.40% | 810 |
| 2012 | - | - | 24,434 | 2,211,371 | 2,309,000 | - | 4,544,795 | 4.83% | 745 |
| 2013 | - | - | 8,387 | 1,824,993 | 2,281,000 | - | 4,114,375 | * | * |

* Information for the current year is not available.

(1) See the schedule of Demographic and Economic Statistics on page 70 for personal income and population data

TOWN OF PEMBROKE PARK, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Table 10

The Town had no general obligation debt over the last five fiscal years.

TOWN OF PEMBROKE PARK, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2013

Table 11

| | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable (1)</u> | <u>Estimated Share of Direct and Overlapping Debt</u> |
|-----------------------------------|-----------------------------|--|---|
| GOVERNMENT UNIT: | | | |
| Debt repaid with property taxes: | | | |
| Broward County School Board | \$ 326,017,000 | 0.43% | \$ 1,401,873 |
| Subtotal, overlapping debt | - | | - |
| Town direct debt | 8,387 | | <u>8,387</u> |
| Total direct and overlapping debt | | | <u><u>\$ 1,410,260</u></u> |

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. The applicable percentage was estimated by determining the portion of Broward County's taxable value that is within the Town of Pembroke Park's boundaries and dividing it by the County's total taxable assessed value.

Source: Broward County, Financial Reporting and Accounting Division

Source: Broward County, Florida, Property Appraiser

TOWN OF PEMBROKE PARK, FLORIDA
LEGAL DEBT MARGIN INFORMATION
As of September 30, 2013

Table 12

The Town Charter does not establish a legal debt margin, nor does the Florida Statutes Chapter 166, which grants home rule authority to municipalities.

TOWN OF PEMBROKE, FLORIDA
PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Table 13

| Fiscal Year | Franchise Taxes | | Property Loan Debt Service | | Coverage | Special Assessments | Franchise Taxes | Special Assessment Note | | | | | | | | |
|-------------|-----------------|---------|----------------------------|----------|----------|---------------------|-----------------|-------------------------|--------------|----------|----------|----|--------|----|-------|-------|
| | | | Principal | Interest | | | | Principal | Debt Service | Interest | Coverage | | | | | |
| 2004 | \$ | 627,636 | \$ | 105,649 | \$ | 20,207 | 4.99 | \$ | 9,560 | \$ | 627,636 | \$ | 50,000 | \$ | 3,411 | 11.93 |
| 2005 | | 609,201 | | 585,829 | | 5,178 | 1.03 | | 12,637 | | 60,920 | | 50,000 | | 2,161 | 1.41 |
| 2006 | | - | | - | | - | - | | - | | - | | - | | - | - |
| 2007 | | - | | - | | - | - | | - | | - | | - | | - | - |
| 2008 | | - | | - | | - | - | | - | | - | | - | | - | - |
| 2009 | | - | | - | | - | - | | - | | - | | - | | - | - |
| 2010 | | - | | - | | - | - | | - | | - | | - | | - | - |
| 2011 | | - | | - | | - | - | | - | | - | | - | | - | - |
| 2012 | | - | | - | | - | - | | - | | - | | - | | - | - |
| 2013 | | - | | - | | - | - | | - | | - | | - | | - | - |

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

TOWN OF PEMBROKE PARK, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(continued)

Table 13

| | | Stormwater Revenue Bonds | | | | | |
|------------|---------|--------------------------|------------|--------------|------------|------------|----------|
| | | Public | Less: | Net | | | |
| Utility | Service | Taxes | Operating | Revenue | Principal | Interest | Coverage |
| Charges | | | Expenses | Available | | | |
| | \$ | \$ | | Revenue | | | |
| \$ 506,046 | | \$ 1,502,566 | \$ 294,088 | \$ 1,714,524 | \$ 271,630 | \$ 120,358 | 4.37 |
| 710,764 | | 1,567,515 | 403,909 | 1,874,370 | 280,346 | 187,248 | 4.01 |
| 754,694 | | 1,668,177 | 457,296 | 1,965,575 | 292,902 | 174,691 | 4.20 |
| 680,217 | | 1,779,628 | 477,162 | 1,982,683 | 279,813 | 162,787 | 4.48 |
| 678,075 | | 2,001,846 | 495,830 | 2,184,091 | 342,159 | 150,428 | 4.43 |
| 796,844 | | 2,023,694 | 700,819 | 2,119,719 | 330,493 | 137,100 | 4.53 |
| 907,181 | | 1,964,622 | 819,693 | 2,052,110 | 344,055 | 123,539 | 4.39 |
| 903,010 | | 1,959,500 | 798,513 | 2,063,996 | 357,940 | 109,653 | 4.41 |
| 901,771 | | 2,055,574 | 917,825 | 2,039,520 | 340,427 | 95,572 | 4.68 |
| 1,045,645 | | 2,064,292 | 805,634 | 2,304,303 | 386,378 | 80,130 | 3.48 |

TOWN OF PEMBROKE PARK, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALANDER YEARS

Table 14

| Calendar Year | Population | Personal Income thousands of dollars | Per Capita Personal Income (1) | Unemployment Rate Percentage (1) |
|------------------|------------|---|---|--|
| 2004 | \$ 5,651 | \$ 142,207 | \$ 25,165 | \$ 4.6% |
| 2005 | 5,415 | 142,312 | 26,281 | 3.7% |
| 2006 | 5,740 | 157,701 | 27,474 | 3.1% |
| 2007 | 5,740 | 162,103 | 28,241 | 3.4% |
| 2008 | 5,740 | 167,562 | 29,192 | 5.4% |
| 2009 | 5,740 | 163,389 | 28,465 | 10.9% |
| 2010 | 6,112 | 99,454 | 16,272 | 9.6% |
| 2011 | 6,102 | 99,401 | 14,709 | 8.6% |
| 2012 | 6,099 | 93,973 | 15,408 | 7.6% |
| 2013 | 6,102 | * | * | 5.3% |

* Information for the current year is not available.

(1) Data for the Town is not available. Estimated figures for Broward County were used.

Source: Bureau of Economic Analysis, US Department of Commerce

Source: Florida Department of Revenue

TOWN OF PEMBROKE PARK, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

Table 15

| Employer | 2013 | | | 2003 | | |
|-----------------------------------|--------------|------|-------------------------------------|------------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total Town Employment | Employees | Rank | Percentage of Total Town Employment |
| Coca-Cola | 464 | 1 | | 530 | 1 | 10.00% |
| WPLG Channel 10 | 180 | 2 | | - | - | - |
| J.W. Lee Inc. | 93 | 3 | | - | - | - |
| Broward County School Board | 85 | 4 | | 134 | 4 | 2.00% |
| Mohawk Industries, Inc. | 72 | 6 | | 160 | 2 | 3.00% |
| The Peninsula | 70 | 5 | | - | - | |
| Broward Sheriff's Office | 46 | 7 | | 115 | 6 | 2.00% |
| Wendy's | 27 | 8 | | - | - | - |
| HH Gregg Appliances & Electronics | 17 | 9 | | - | - | - |
| Mastec North America | 20 | 10 | | - | - | - |
| Total | 1,074 | | 17.28% | 939 | | 17.00% |

Source: Town Planning

TOWN OF PEMBROKE PARK, FLORIDA
FULL TIME EQUIVILANT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| Function/Program: | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| General government: | | | | | | | | | | |
| Mayor and Commission | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Finance and administrative | 9 | 10 | 12 | 12 | 12 | 9 | 9 | 9 | 10 | 11 |
| Public safety: | | | | | | | | | | |
| Protective inspections | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| Physical environment: | | | | | | | | | | |
| Code enforcement | 3 | 2 | 2 | 2 | 2 | 3 | 3 | 2 | 2 | 2 |
| Public works: | | | | | | | | | | |
| Road and street facilities | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Sewer | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 |
| Culture and recreation: | | | | | | | | | | |
| Parks and recreation | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Total | 31 | 32 | 33 | 33 | 33 | 31 | 31 | 32 | 32 | 33 |

Source: Finance and Budget Department

TOWN OF PEMBROKE PARK, FLORIDA
 OPERATING INDICATORS BY FUNCTION / PROGRAM
 LAST TEN FISCAL YEARS

| Function/Program | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------|------|------|-------|-------|-------|------|------|------|------|------|
| General government: | | | | | | | | | | |
| Building permits issued | 736 | 844 | 1,622 | 1,083 | 1,128 | 639 | 243 | 58 | 346 | 1221 |
| New construction | 638 | 805 | 1,047 | 44 | 112 | 30 | 10 | 134 | 130 | 153 |
| Repair/maintenance | 47 | 18 | 436 | 41 | 100 | 130 | 60 | 281 | 373 | 374 |
| Alteration/remodeling | 26 | 13 | 5 | 41 | 166 | 125 | 45 | 303 | 156 | 176 |
| Demolition | 19 | 8 | 134 | 41 | 44 | 66 | 20 | 115 | 46 | 123 |
| Other | 6 | - | - | 22 | 142 | 288 | 108 | 349 | 706 | 395 |
| Occupational licences | 556 | 593 | 595 | 591 | 649 | 510 | 511 | 513 | 521 | 542 |
| Sign permits | 543 | 524 | 479 | 423 | 424 | 368 | 353 | 342 | 311 | 311 |
| Alarm registration | 200 | 196 | 183 | 171 | 181 | 233 | 251 | 260 | 258 | 256 |
| Certificate of use | 432 | 476 | | 470 | 474 | 395 | 390 | 395 | 403 | 421 |
| Parks and recreation: | | | | | | | | | | |
| Park rentals | 35 | 43 | 19 | 54 | 9 | 20 | 32 | 37 | 23 | 29 |

Source: Various departments

TOWN OF PEMBROKE PARK, FLORIDA
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

| Function/Program | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-----------------------|------|------|------|------|------|------|------|------|------|------|
| Other public works: | | | | | | | | | | |
| Streets (miles) | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Street lights | 34 | 34 | 34 | 34 | 52 | 52 | 52 | 52 | 52 | 52 |
| Parks and recreation: | | | | | | | | | | |
| Acres | 20 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| Playgrounds | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Community centers | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Wastewater: | | | | | | | | | | |
| Sanitary sewers | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Lift stations | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Stormwater: | | | | | | | | | | |
| Pump stations | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |

Source: Finance and Budget Department

**OTHER REPORTS OF INDEPENDENT
AUDITORS AND RELATED SCHEDULES**



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Town Commission
Town of Pembroke Park, Florida
Pembroke Park, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Pembroke Park, Florida (the "Town") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 19, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Town of Pembroke Park, Florida

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keefe, McCullough & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 19, 2014



INDEPENDENT AUDITOR'S REPORT TO TOWN MANAGEMENT

To the Honorable Mayor and Town Commission
Town of Pembroke Park, Florida
Pembroke Park, Florida

We have audited the basic financial statements of Town of Pembroke Park, Florida (the "Town"), as of and for the year ended September 30, 2013, and have issued our report thereon dated March 19, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards and our Schedule of Findings and Responses. Disclosures in those reports and schedule which are dated March 19, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedules.

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. The status of the finding and recommendations made in the preceding annual financial audit report are detailed in the Schedule of Findings and Responses on page 79.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Town complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town of Pembroke Park, Florida was incorporated on June 20, 1959. The Town does not have any component units.

Town of Pembroke Park, Florida

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Town for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representative, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 19, 2014

TOWN OF PEMBROKE PARK, FLORIDA
 SCHEDULE OF FINDINGS AND RESPONSES
 For the Year Ended September 30, 2013

PRIOR YEAR INTERNAL CONTROL COMMENT AND RECOMMENDATION

| | <u>STILL APPLICABLE</u> | <u>IMPLEMENTED OR NO LONGER RELEVANT</u> |
|---|-----------------------------|--|
| 2009-3 Purchase Fund Accounting Software | | X |
| 2009-4 Accounts Payable Subsidiary Detailed Listing | | X |

CURRENT YEAR INTERNAL CONTROL COMMENT AND RECOMMENDATION

NONE